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MODERN FOREIGN EXCHANGE

By

V. GONZALES

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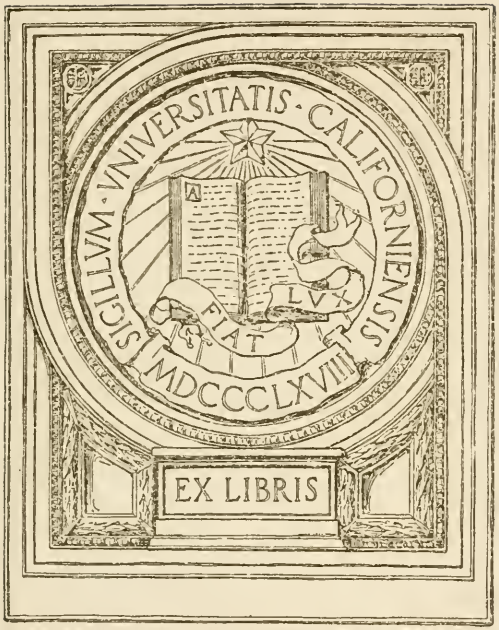
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MODERN FOREIGN EXCHANGE

MONETARY SYSTEMS
INTRINSIC EQUIVALENTS and
COMMERCIAL RATES OF EXCHANGE
of all Countries
and
their relation to United States Money

By

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INDEX

	PAGE
Introduction	3
Monetary Standards	4
Gold Standard Countries	5
Gold Exchange Standard Countries	6
Silver Standard Countries	7
Inconvertible Paper Money Countries	8
Basis of Exchange—Intrinsic equivalence	8
Intrinsic equivalents and Commercial rates of Exchange	9
Instruments of exchange—Cable Transfers—Notes—Specie—Drafts	10
Exchange in Foreign Trade	12
Arbitrage	15
Table of Moneys in Actual Use	16
Names of Some Coins Used at Times in Business	18
Names of Some Quantities of Money referred to in Trade	19
Value of the Gramme of Gold	19
Coining Value of the Ounce of fine Gold	20
Par Value of the American Dollar	20
Coining Value of the Ounce of fine Silver	20
Time distances	21
Monetary Units—Intrinsic Equivalents	23
Commercial Rates of Exchange	25
Exchange Quotations	31
Colonies and Possessions	32

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INTRODUCTION

KNOWLEDGE of the money and exchange of all countries is becoming more and more necessary because of the rapid expansion of international commercial relations

Years ago some three or four European cities alone were the centers of international monetary transactions and these absorbed the entire volume of trade clearings from all countries. During the last ten or fifteen years NEW YORK has become a very important market for exchange and it is likely that some other cities of the United States will soon reach the same position.

The development of our foreign trade makes it most desirable that we should have a comprehensive grasp of foreign exchange as each domestic commercial center strives for as much direct and independent business as it can possibly get.

Foreign trade competition has become so keen all over the world that, at present, it is not enough to know the cost of goods and incidentals only. To sustain an intelligent and successful struggle it is also necessary to know, thoroughly, all about other people's money and its relation to our money.

Of late it has been found very convenient to quote and fix prices in the money of some purchasing countries. This can be done to advantage with those under stable monetary conditions.

FOREIGN EXCHANGE is no longer a matter of concern to exchange dealers alone. It is a subject of wide interest to all who have, or wish for, foreign business.

All treatises on foreign exchange published up to the present time deal with the subject scientifically and are devoted more to the study of economic principles and history than to the description of money and exchange in reference to international trade.

Facts, as they stand, are summarized and condensed in this booklet in a simple and comprehensive form, permitting even those without any special preparation to readily understand them. It shows not only the intrinsic equivalents of all moneys with American money and vice versa, but also the maximum and minimum possible rates of exchange with all countries, and affords in a condensed form, all the knowledge that business men need at hand for their foreign commercial transactions.

New York, January, 1914. V. G.

NOTES

To avoid confusion all weights are given in "grammes" because it is the standard unit of weight in use all over the world. All reference to the "grain" has been omitted.

One gramme is equivalent to 15.43235639 grains. The Act of July 28, 1856, fixed the equivalent as 15.432. To know the number of "grains" contained in any number of "grammes," multiply these by 15.432. To know the number of "grammes" in any given number of "grains," divide by 15.432.

An ounce contains 480 grains. Therefore each ounce contains $\left(\frac{480}{15.43235639}\right)$, 31.10349552 grammes, roughly given as 31.104 grammes.

FIVE decimals are given for the sake of mathematical exactness, but in business only two are used. When third decimal is 5 or more, add 1 to the second. When using three decimals follow the same method. For instance, the equivalent of the Latin Union franc is given as .19295, as the fourth decimal is 9 the third is increased to 3, and is often mentioned as .193.

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MONETARY SYSTEMS

At present there are four standards of money which constitute the basis of the different monetary systems of the civilized world. They are:

1. GOLD STANDARD wherein GOLD is the only full legal tender, other forms of money being maintained at a parity, with or without Government guarantee, by their permanent conversion into gold and by means of the limitation of their supply.

2. GOLD EXCHANGE STANDARD wherein gold and other forms of money are legal tender, the conversion of the latter into gold being guaranteed directly by the Government by means of a conversion fund or otherwise, there being an artificial way of providing foreign exchange at fixed rates.

3. SILVER STANDARD wherein SILVER alone is legal tender, other forms of money being convertible into white metal only; and

4. INCONVERTIBLE PAPER MONEY the parity of which is not maintained at all and is dependent upon the local quotation given to the credit of the Government.

Every country has its own monetary system based on one of the four standards as described.

The three metallic standards are monometallic, bimetallism having been abandoned everywhere.

Some people consider as bimetallic gold standard countries in which some SILVER coins are given unlimited legal tender power. These countries maintain the parity of such coins by limiting their supply to a certain amount, indispensable for circulation purposes only. This is rather a defect of the system and is called the "Limping standard."

Bimetallism does not consist in the legal tender quality given to SOME pieces of SILVER, when GOLD is the standard, but in allowing the free coinage, or the unlimited supply, of such coins.

None of the countries under the Gold Standard or the Gold Exchange Standard allow the free and unlimited coinage of silver. The right is reserved to the Government and the supply is increased only when the needs of the country demand it.

In Silver Standard countries gold is not legal tender at any fixed ratio; it is accepted conventionally in reference to the gold price of silver.

There are forty-six systems now in use, of which

19 are based on the Gold Standard,
13 are based on the Gold Exchange Standard,
9 are based on the Silver Standard, and
5 are based on Inconvertible Paper money.

The GOLD STANDARD is represented by the following units:

AMERICAN GOLD

1. THE EGYPTIAN POUND divided into 100 Piastres of Ten Ochr-el-guerch or milliemes, each of 4 Paras. It is used in Egypt exclusively and contains 7.4375 grammes of fine GOLD. It is equivalent, in American money, to ..... $4.94[307]
2. The BRITISH POUND STERLING divided into 20 Shillings of 12 pence. It is used in Great Britain and the majority of its colonies. It weighs 7.32238 grammes of fine gold and is equivalent to ..... 4.86[656]
3. The PERUVIAN POUND divided into 10 Soles of 100 centavos and used in Peru only. It weighs 7.32238 grammes of fine gold being exactly like the British Pound and is equivalent to ..... 4.86[656]
4. The TURKISH POUND divided into 100 Piastras of 40 Paras, each of 3 Aspes, used in Turkey and its dependencies, not otherwise mentioned. It weighs 6.6150 grammes of fine gold and is equivalent to ..... 4.39[042]
5. The PORTUGUESE ESCUDO divided into 100 centavos in use in Portugal and the majority of its colonies. It weighs 1.62585 grammes of fine gold being equivalent to ..... 1.08[056]
6. The URUGUAYAN PESO divided into 100 Centesimos. It is used only in Uruguay and weighs 1.55615 grammes of fine gold being equivalent to ..... 1.03[424]
7. The NEWFOUNDLAND DOLLAR divided into 100 cents and used exclusively in Newfoundland. It weighs 1.52551 grammes of fine gold and is equivalent to ..... 1.01[387]
8. The DOLLAR divided into 100 cents. It is used in the UNITED STATES and its possessions HAWAII and PORTO RICO and in CANADA, CUBA, SANTO DOMINGO, LIBERIA, most of the British West Indies, British Guiana and British Honduras. It weighs 1.50464 grammes of fine gold and represents the 1.00
9. The RUSSIAN ROUBLE divided into 100 Kopecks. It is used in all Russian territories and weighs 0.77423 grammes of fine gold being equivalent to ..... 0.51[456]
10. The JAPANESE YEN divided into 100 Sen of 10 Rin. It is used in Japan and its possessions. It weighs 0.75 grammes of fine gold and is equivalent to ..... 0.49[846]
11. The ECUADOREAN SUCRE divided into 100 centavos, in use in ECUADOR alone. It weighs 0.73224 grammes of fine gold (one-tenth of a British Pound) and is equivalent to... 0.48[666]
12. The COSTARICAN COLON divided into 100 centimos. It is used only in Costa Rica and weighs 0.7002 grammes of fine gold being equivalent to ..... 0.46[536]
13. The NETHERLANDS FLORIN or GUILDER divided into 100 cents. It is used in the Netherlands (Holland) and its colonies, Java, Sumatra, Curacao, Guiana, etc. It weighs 0.6048 grammes of fine gold and is equivalent to ..... 0.40[196]
14. The BOLIVIAN BOLIVIANO divided into 100 centavos, used in Bolivia only. It is not coined yet but is to weigh 0.58579 grammes of fine gold (B. 12.50 to the £1) and is equivalent to ..... 0.38[932]
15. The SCANDINAVIAN KRONE divided into 100 Ore. It is used in the three Scandinavian States—Denmark, Sweden and Norway. (In Sweden it is called KRONA.) It weighs 0.40323 grammes of fine gold and is equivalent to ..... 0.26[799]
16. The GERMAN MARK divided into 100 Pfennige. It is in use throughout the German Empire and in all German colonies, except East Africa. It weighs 0.35842 grammes of fine gold and is equivalent to ..... 0 23[821]
17. The AUSTRIAN KRONE divided into 100 Heller. It is used only in the Austro-Hungarian Empire. (In Hungary it is called KORONA and is divided into FILLER.) It weighs 0.30488 grammes of fine gold and is equivalent to ..... 0.20[263]
18. The MONTENEGRIN PERPER divided into 100 PARAS. It is in use exclusively in Montenegro and weighs 0.30488 grammes of fine gold being equivalent to ..... 0.20[263]
19. The LATIN UNION FRANC divided into 100 centimes. It is used in FRANCE and its COLONIES, BELGIUM, the BELGIAN CONGO, SWITZERLAND and MONACO under the same name and in BULGARIA where it is called LEV divided into STOTINKI, ROUMANIA where it is called LEU and is divided into BANI, SERVIA as DINAR divided into PARAS, GREECE under the name of DRACHMA divided into LEPTA, ITALY as LIRA divided into CENTESIMI, SPAIN where it is called PESETA and is divided into CENTIMOS, FINLAND as MARKKA divided into PENNIA and VENEZUELA where it takes the name of BOLIVAR and is divided into CENTIMOS. It weighs 0.29032 grammes of fine gold and is equivalent to... 0.19[296]

The GOLD EXCHANGE STANDARD is used by the following countries: AMERICAN GOLD

1. PANAMA, where the unit is called BALBOA and is divided into 100 centésimos. Its currency consists of American gold coins and notes and Panamanian SILVER Half-Balboas or PESOS (to which the Government guarantees the value of 50 cents in United States currency). The theoretical unit weighs 1.50464 grammes of fine gold and is equivalent to $1.00

2. NICARAGUA. The unit is the CORDOBA divided into 100 centavos. Circulation consists of SILVER coins and bank notes guaranteed to be payable in gold. The theoretical unit weighs 1.50464 grammes fine gold and is equivalent to 1.00

3. The STRAITS SETTLEMENTS and FEDERATED MALAY STATES. The unit is the DOLLAR divided into 100 cents and guaranteed by the British Government to represent 28 pence. It circulates SILVER coins (20.217 grammes .900 fine to the DOLLAR) and Government notes which are redeemed at the rate of 28 pence per DOLLAR. The theoretical unit, then, weighs 0.85428 grammes of fine gold, equivalent to ..... 0.56^{776}

4. The PHILIPPINE ISLANDS. The unit is the PESO divided into 100 centavos. The circulation is composed of SILVER coins (20 grammes .800 fine to the PESO) and Government notes to which the American Government guarantees a value of 50 cents American gold per Peso. The theoretical unit then weighs 0.75232 grammes of fine gold, equivalent to 0.50

5. MEXICO.[1] The unit is the PESO divided into 100 centavos. The PESO according to the law is 0.75 grammes of fine gold, but silver Pesos are given full legal tender power, the Government maintaining the parity of these by means of a conversion fund that provides for the exchange of silver Pesos into gold, and for foreign exchange at fixed rates. The unit is then 0.75 grammes of fine gold, equivalent to ..... 0.49^{846}

6. ARGENTINA. The unit is the PESO divided into 100 centavos. The legal currency consists of PAPER (Government notes) to which the Government guarantees the value of Frs. 2.20 per PESO (44% of the former value, which was Frs. 5 per PESO). This parity is maintained by means of a conversion fund which permanently exchanges PAPER for GOLD and vice versa at the fixed rate of Frs. 2.20 in Gold per Paper Peso. The theoretical unit, then, represents 0.63871 grammes of fine gold, equivalent to ..... 0.42^{449}

7. SIAM. The unit is the TICAL divided into 100 Satang (or 4 Salung of 25 Satang). The present medium of circulation is SILVER coins and Government notes to both of which the Siamese Government guarantees a gold value of 0.558 grammes of fine gold per Tical. This guarantee is made effective by means of a conversion fund that provides for exchange of silver and notes into gold or foreign bills at said rate. The theoretical unit weighs, then, 0.558 grammes of fine gold, equivalent to ..... 0.37^{085}

8. INDIA. The unit is the RUPEE divided into 16 Annas of 12 pies. The circulation is composed of SILVER coins and Government notes guaranteed by the British Government at the rate of 16 pence per Rupee or 15 Rupees per £1. Rupees are not coined in gold, the British Sovereign being the legal gold coin. Silver RUPEES (11.664 grammes of silver .916.66 fine) are full legal tender, and their parity with gold is maintained by the conversion fund which provides for exchange at 15 Rupees per £1. The theoretical unit, then, weighs 0.48816 grammes of fine gold, equivalent to ..... 0.32^{444}

9. CEYLON. The unit is the RUPEE, as in India, but is divided into 100 cents (instead of into Annas and Pies). Circulation is composed of silver coins and Government notes, both of which are guaranteed by the British Government at the rate of 16 pence per Rupee. The theoretical unit, like in India, represents 0.48816 grammes of fine gold, equivalent to ..... 0.32^{444}

10. BRAZIL. The unit is the MILREIS divided into 1,000 Reis. The circulating medium and the only legal money of the country is composed of Government notes guaranteed at the rate of 16 pence per MILREIS. Silver and nickel coins circulate also as fractions of the unit and are legal tender for small amounts. The theoretical unit is exactly like that of India and Ceylon and represents 0.48816 grammes of fine gold, equivalent to ..... 0.32^{444}

11. BRITISH EAST AFRICA and ZANZIBAR PROTECTORATE. The unit is the RUPEE divided into 100 cents. Circulation is composed of SILVER coins (11.664 grammes .916.66 fine to the Rupee) and Government notes, both guaranteed at the rate of 15 Rupees to £1. The theoretical unit, as in Ceylon and India, represents 0.48816 grammes of fine gold, equivalent to ..... 0.32^{444}

[1]At present the Conversion of other forms of money into gold has been temporarily suspended and the country is for the moment under inconvertible paper currency.

12. ITALIAN SOMALILAND. The unit is the RUPEE divided into 100 Bese and circulation is limited to silver coins (11.664 grammes .916.66 fine to the Rupee) guaranteed by the Italian government at the rate of 15 Rupees to £1. The theoretical unit represents, then, 0.48816 grammes of fine gold equivalent to ..... 0.32^{444}

13. GERMAN EAST AFRICA. The unit is the RUPEE divided into 100 Heller. It circulates silver coins (11.664 grammes .916.66 fine to the Rupee) guaranteed by the German government at the rate of 15 Rupees to Mks. 20. The theoretical unit represents 0.47790 grammes of fine gold, equivalent to ..... 0.31^{761}

The SILVER STANDARD is in use in the following countries:

1. CHINA, where quite a variety of TAELS exist. Each province has its own unit, but the official one, agreed to by treaty, is the K'UP'ING TAEL divided into 100 cents of 10 mills each. This unit weighs 37.313 grammes of silver .980 fine and contains 36.56674 grammes of fine silver which is equivalent to 1.175625 oz. fine.

   As the price of silver fluctuates almost constantly it is impossible to give any fixed equivalent, but it is easy to find it by reference to the portion of an ounce fine contained in the unit, multiplying this by the price of the fine ounce of silver. At the price of 55 cents American Gold per fine ounce the TAEL mentioned would be worth $0.64.659. In order to facilitate the calculation of the value of this unit, as well as of other SILVER STANDARD UNITS, their proportion of fine ounces is given.

   China has also a DOLLAR divided into 100 cents which weighs 26.956 grammes of silver .900 fine, thus containing 24.2604 grammes of fine silver or 0.779976 oz. fine.

   The local TAELS are as follows:

Amoy Tael	36.8861 grammes fine	1.185895 oz. fine
Canton	36.7752	1.182331
Chefoo	35.2793	1.134236
Chinkiang	36.0327	1.158458
Foochow	34.1198	1.096958
Haikwan	37.5317	1.206684
Hankow	34.5119	1.109565
Kiaochow	35.7444	1.149273
Nanking	36.5008	1.173508
Niuchwang	34.5914	1.112120
Ningpo	35.4641	1.140178
Peking	35.9602	1.156127
Shanghai	33.6927	1.083224
Swatow	34.0732	1.095460
Takau	37.1196	1.193402
Tientsin	35.7444	1.149273

   At present the Government is planning to adopt the gold standard on the same basis as Japan.

2. FRENCH INDO-CHINA. The unit is the PIASTRE divided into 100 centimes of 5 Sapeques. It weighs 27 grammes of silver .900 fine and therefore contains 24.300 grammes of fine silver or 0.78125 fine oz.

3. HONGKONG. The unit is the DOLLAR divided into 100 cents. It weighs 26.956 grammes of silver .900 fine, and contains 24.2604 grammes fine or 0.779976 fine oz.

4. ABYSSINIA. The unit is the TALARI divided into 100 Besa. It weighs 28.075 grammes .835 fine and contains therefore 23.44263 grammes fine silver or 0.753685 oz. fine.

5. MOROCCO. The unit is the RIAL divided into 20 Belions. It weighs 25 grammes of silver .900 fine or 22.5 grammes fine which is 0.723379 fine oz.

6. SALVADOR AND HONDURAS. The unit of both countries is the PESO divided into 100 centavos. It weighs 25 grammes of silver .900 fine and contains therefore 22.5 grammes fine which is 0.723379 fine oz.

7. ERITREA (ITALIAN COLONY). The unit is the Tallero divided into 100 centesimi. It weighs 25 grammes of silver .900 fine and contains therefore 22.5 grammes fine, or 0.723379 oz. fine.

8. AFGHANISTAN. Uses the Indian Rupee at its silver value. The Indian Rupee weighs 11.664 grammes of silver .916.66 fine and contains 10.69192 grammes fine, or 0.343747 oz. fine.

9. PERSIA. The unit is the KRAN divided into 20 SHAHIS of 50 DINARS. It weighs 4.605 grammes silver .900 fine or 4.1445 grammes fine, or 0.133246 oz. fine.

INCONVERTIBLE PAPER MONEY is the legal currency of only five countries at present. They are:

1. CHILE[1]. The unit is the PESO divided into 100 centavos. According to the existing law it should have the intrinsic equivalence of 18 British pence—0.599103 grammes gold .916.66 fine. But this law is not in operation and the circulation is composed of Government notes which are quoted on the market at rates fluctuating between 10 and 11 pence per PESO.
2. COLOMBIA. The unit is the PESO divided into 100 centavos. The last law passed on the monetary system adopted as the unit the PESO of 1.59761 grammes of gold .916.66 fine ($\frac{1}{8}$ of £1), but this is not yet in operation, and the present circulating medium is only paper to which a value of 1 cent American gold per PESO was given by law. Rates of exchange fluctuate closely around this value.
3. GUATEMALA. The unit is the PESO divided into 100 centavos. Its monetary system is based on SILVER (unit of 25 grammes .900 fine), but at present it circulates only inconvertible paper money subject to unlimited fluctuation since there is no provision for the redemption or maintenance of any value in gold for the notes.
4. HAITI. The unit is the GOURDE divided into 100 centimes. Its monetary system is nominally based on gold (1.6129 grammes .900 fine), but it circulates only inconvertible paper subject to unlimited fluctuation. It has recently passed a law adopting the Gold Standard on the basis of 0.418 grammes of gold .900 fine to the Gourde, which is equivalent to $0.25 American money. It is intended that this law become operative on January 1, 1914.
5. PARAGUAY. The unit is the PESO divided into 100 centavos. The monetary system is based nominally on a GOLD PESO of 1.6129 grammes .900 fine, but circulation at present is confined to Government irredeemable notes, subject to unlimited fluctuation.

Basis of Exchange. Intrinsic Equivalence

The basis of MONETARY EXCHANGE between countries lies in the relation existing between the INTRINSIC GOLD VALUE of their respective moneys.

The American dollar contains 1.671818 grammes of gold nine-tenths (.900) fine and the British Pound sterling 7.98805 grammes gold .916⅔ fine. The BASIS of exchange between American money and British money is the relation existing between

1.671818 grammes .900 fine, and
7.98805 grammes .916⅔ fine.

To find this relation both quantities must be reduced to fine gold which is ascertained by multiplying the WEIGHT by the FINENESS.

Thus the American dollar contains (1.671818×.900) 1.50464 grammes fine gold, and the British Pound (7.98805×.916.66) 7.32238 grammes fine gold. The relation between them is:

$$\frac{7.32238}{1.50464} = 4.86656 \text{ American dollars to £1.}$$

$$\frac{1.50464}{7.32238} = 0.205485 \text{ of £1 to one dollar.}$$

As the British Pound is divided into 20 Shillings, the above fraction would be (0.205485×20) 4.10970 shillings. Again, as the shilling is divided into 12 pence, the fraction (0.10970) would be (0.10970×12) $1.^{316}$ penny. This is then 4 shillings and $1.^{316}$ penny, usually quoted $49.^{316}$ pence.

A similar formula may be expressed in the moneys of all GOLD STANDARD countries.

The Austrian "Krone" contains 0.30488 grammes gold fine and the German "Mark" (or Reischmark) contains 0.35842 grammes gold fine. To ascertain the relation between Austrian krones and German marks, divide $\frac{0.30488}{0.35842} = 0.8506$ German marks to the Austrian krone. To find the relation between German marks and Austrian krones, reverse the factors $\frac{0.35482}{0.30488} = 1.1756$ Austrian krones to the German mark.

When dealing with countries under the "gold exchange standard," the amount of gold GUARANTEED to be given by the Government for each unit of money is the basis of comparison.

The value of American money in Indian rupees is determined by the number of grammes of fine gold

[1] Chile has recently authorized its Conversion office to issue notes against gold at a fixed rate of 12 pence per Peso. This indicates the possibility of its adopting the Gold Exchange Standard in the near future.

contained in the American dollar compared with those guaranteed by the British Government to be given for each rupee. This number is the one corresponding to 16 pence or the FIFTEENTH PART of one Pound Sterling. The fifteenth part of 7.3223S is 0.4S81586 grammes fine gold. Therefore one American dollar is equivalent to

$$\frac{1.50464}{0.48816}=3.08226 \text{ Rupees.}$$

As the rupee is divided into 16 "Annas," the fraction (0.08226) is (0.08226×16) $1.^{31616}$ Annas. Again, as the "Anna" is divided into 12 "Pies," the fraction 0.31616 is (0.31616×12) $3.^{79392}$ pies, practically 4 pies. Therefore the American dollar is intrinsically equivalent to Rupees 3, Annas 1, Pies 4 (which is expressed Rp. 3. 1. 4).

The relation between the Indian rupee and the American dollar can be found by reversing the dividend and divisor, $\frac{0.48816}{1.50464}=0.324437$. Therefore the Indian rupee is intrinsically equivalent to $0.324437 American dollars.

This relation exists just so long as the Government fulfils its obligation to give the guaranteed amount of gold for every unit of currency. When it fails to do so the currency falls to its silver value, if circulation is composed of silver coins, or becomes "inconvertible paper money" with no relation whatever to gold, and consequently without any basis for exchange with other countries if its circulating medium is paper.

The relation between gold-standard and gold-exchange-standard countries, and countries under the silver standard is found by ascertaining first the gold-value of the silver unit, and then comparing. As silver fluctuates the relation is fluctuating.

To find the gold-value of the unit (silver), multiply its weight by the price of silver on the market. This is quoted in New York on the ounce of fine metal (1000 fine).

To find the relation between the "Peso" of Salvador and the American dollar, first ascertain the gold-value of such Peso.

The Salvador peso contains 25 grammes silver, .900 fine, which is $(25\times.900)$ 22.5 grammes fine. An ounce contains 31.104 grammes, and the Peso of Salvador then represents $\frac{22.500}{31.104}=0.723379$ ounce.

If the price of silver is 55 cents per ounce fine, the Peso of Salvador will be equivalent to $(0.723379\times.55)$ $0.3978585 American gold.

To find the intrinsic equivalent of the American dollar in Salvador money (with silver at 55 cents per ounce fine), divide 1 by 0.3978585. The result is $2.51345 Salvador currency for each American dollar.

The relation will always change with the variation in the price of silver.

In every case by multiplying the fine silver contained in the unit by the market price of silver, the gold-value of the unit will be found.

Silver coins in gold-standard or gold-exchange-standard countries are only SUBSIDIARY, and are REPRESENTING A GOLD PORTION OF THE UNIT. They are usually legal tender for only small amounts and their intrinsic value in gold has nothing to do with exchange.

The relation between all other countries and those having inconvertible paper money can only be found by ascertaining ANY GIVEN DAY the amount of gold given by the public for the unit. This money has no intrinsic value whatsoever, and its gold-value depends entirely on what the people are willing to accept it for.

Intrinsic Equivalents and Commercial Rates of Exchange

The equivalents given for GOLD STANDARD AND GOLD EXCHANGE STANDARD countries in Table of Monetary units refer to their intrinsic GOLD value (Par or Mint Par).

As to SILVER STANDARD countries the equivalents are given considering SILVER at 55 cents per oz. fine. This equivalence is variable since the gold price of silver fluctuates. To facilitate calculation reference to the OUNCE is given in each instance. Knowing the price of silver, it is easy to find the intrinsic gold equivalent.

Inconvertible paper money, having no fixed value, can have no fixed equivalent. Present quotations are taken to give an approximate equivalent with American money. It is well to have in mind that CHILE quotes its currency in reference to BRITISH PENCE per PESO, COLUMBIA to the value in paper paid for GOLD, and GUATEMALA, HAITI, and PARAGUAY in reference to their former gold unit.

When CHILEAN exchange is quoted at, say, 10 pence it means that exchange on London is sold at the rate of 10 pence per PESO, and consequently one British Pound is worth 24 Chilean pesos.

Exchange rates, in COLOMBIA, at, say, 9800% means that £1 is sold for $490 Colombian paper pesos, or 98 times its former value of $5.00. When the said 9800% is quoted for exchange on New York it means that 98 Colombian pesos are given for $1.00 American money, and so forth.

GUATEMALA, although having a monetary system based on SILVER and using inconvertible paper only calculates its rates of exchange in reference to a fictitious GOLD unit which was taken as equivalent to $5.00 per £1. When rates on London are quoted, at say, 1500% it means that £1 is worth the former $5.00 PLUS 1500%, or $5.00 plus $75.00, or $80.00. When this rate is quoted on New York it means that $1.00 American money commands $15.00 premium, or $16.00 currency in all for $1.00 American gold.

HAITI quotes its rates in reference, also, to a GOLD GOURDE nominally equivalent to Frs. 5. When exchange on New York is quoted at 316%, it means that $1.00 American money is worth 1 Gourde PLUS 3.16 for premium or Gourdes 4.16 per $1.00 American. As soon as the new law is in operation exchange will be quoted probably on a premium of a percentage above the par which will be $0.25 American money to the Gourde.

PARAGUAY refers also to a GOLD PESO (the former Argentine gold Peso), and its rates are considered in the same way as in the three countries just mentioned.

Commercial rates of exchange differ from the PAR VALUE in proportion to expense and delay incurred by the transfer of money.

Such rates vary according to the normal movement of supply and demand, but fluctuations are confined within the intrinsic gold equivalence of the different moneys plus or minus transportation, delay, and incidental expenses for moving specie (gold points).

While it is impossible to determine a fixed commercial rate of exchange since this is subject to natural fluctuation, high and low points can be mathematically determined for countries using a uniform standard — effective (gold standard) or guaranteed (gold exchange standard).

The Russian rouble is equivalent at par to $0.51456 American money; exchange rates fluctuate within the gold points with Russia which are $0.505 as "low" and $0.525 as "high."

When having to transfer money from Russia to the United States it should be possible to obtain not less than $0.505 American money per Rouble or $5050 for a draft of 10,000 Roubles. If less is offered it would be more advantageous to import the gold from Russia and mint it into American money. Ten thousand roubles are intrinsically equivalent to $5145.60 (each rouble containing 0.77423 grammes fine gold against 1.50464 grammes fine gold also contained in the American dollar), and this is $95.60 in excess of the $5050 mentioned. These $95.60 would safely cover expenses of transportation and delay. A draft would secure the money at once while importation of gold would require at least ten to twelve days for transportation.

When having to transfer money from the United States to Russia it should be possible to buy a draft at no more than $0.525 per rouble. If more was asked it would be better to export gold and mint it into Russian money. If $5250 in gold are exported they would be minted into 10202.75 roubles (the parity being 1.94338 roubles per American dollar.) The 202.75 in excess of the 10,000 would cover expenses, including mint charges (slightly less than ¼%). In this case there is no delay, the same time being needed to send a draft as to send the gold.

Almost all foreign banks buy gold coins of other countries very closely within their mint value, and the necessity of minting them is practically avoided.

In countries under the Silver Standard limits of fluctuations of exchange cannot be fixed as they depend on the gold price of the white metal which is variable. Fluctuation in countries using inconvertible paper currency is unlimited.

Tables on pages 26 to 29 show the present limits of fluctuation which are subject to become closer to the par value by means of increasing transportation facilities which shorten distances and reduce expenses.

The figures mentioned are absolutely conservative and refer to exchange through currency and ordinary short-time commercial paper. Other instruments such as cable transfers, letters of credit, and international cheques command at times higher rates, due to the value of extra service rendered; and long-time and other accommodation paper are also at times quoted lower, in proportion to the extension of the credit feature involved.

Instruments of Exchange.

Monetary exchanges between countries are made by means of (1) Cable transfers, (2) Government notes and bank notes, (3) Specie (gold and silver coin and bullion), and (4) bills of exchange or drafts.

CABLE TRANSFERS are immediate transfers of money by cable. Being an extraordinary service, rates for cable transfers are usually above the "gold points."

GOVERNMENT NOTES AND BANK NOTES, of Governments or banks enjoying international credit, are used mostly to transfer money personally. Very seldom are they used by other than travellers. They are nothing more than demand drafts against the issuing concern, involving extraordinary risks in their transportation. They are usually undervalued in foreign countries because of these risks.

SPECIE, in the form of GOLD COINS, is also handled largely by travelers. It is exported and imported occasionally by banks and bankers as regular transfers of money, specially when urgent demands are made to fill the vaults of some institution in need of protecting its reserves. It is also used by exchange dealers

to draw against or in the absence of other instruments of exchange to satisfy the demand for money in other countries. GOLD BULLION is imported and exported by bankers, and is available for the same purposes as gold coins, there being only few days to lose in minting. This feature is taken into consideration and it has a slightly lower value than coined gold of full weight. SILVER BULLION AND COIN are commodities which are exported like any other, and are readily negotiable when not in excessive quantities threatening to upset the normal conditions of the market.

DRAFTS OR BILLS OF EXCHANGE are the most usual of all exchange instruments for the transfer of money between countries, and serve the most important function in international trade. They comprise:

International cheques,
Money orders,
Banks and bankers cheques,
Sight and demand drafts,
Short time drafts,
Long time drafts,
Letters of credit.

INTERNATIONAL CHEQUES are issued by banks and bankers (and some express companies acting as such). They have fixed conversion rates into different moneys. They are drawn in fixed amounts and are very convenient for travelers, but little used in trade.

MONEY ORDERS are issued by post offices against similar offices in other countries and are used for the transfer of small amounts. The rates of exchange are fixed and invariable, not being subject to any fluctuation. Some bankers and express companies issue, also, money orders at fixed rates, which are as sight drafts for small amounts. Ordinarily they are for not more than $100.

CHEQUES, DEMAND DRAFTS, and SIGHT DRAFTS are immediate payment orders, drawn by banks and bankers on their correspondents. Commercial drafts are usually drawn at short or long time; very seldom at sight.

Cheques and demand drafts differ from sight drafts in that the former have no days of grace for payment and must be paid on presentation or protested. Internal revenue tax (stamp duty) is imposed on all foreign drafts in almost every country, cheques and demand drafts as well as sight drafts being either exempted or subject to a lower tax.

Days of grace are a privilege to defer payment for one to five days granted on sight, and short or long time drafts.

Short time drafts include all drafts drawn to be paid from one up to eight days after sight. They are drawn by bankers and merchants against balances or shipments.

LONG TIME DRAFTS are drawn by banks, bankers, and exporting firms, usually at 60 or 90 days after sight, very seldom for a longer time except in special cases.

Drafts are CLEAN BILLS when having no documents attached, and DOCUMENTARY BILLS when acceptable or payable only against delivery of shipping papers attached. The attachment of documents does not enhance the value of the draft in every case. The standing of the drawer is what counts in first instance, as documentary bills are not easily negotiable in the open market and they protect only while documents are attached. The acceptance of the drawee adds usually to the value of the paper, especially when the acceptor is a bank, a banker, or merchant of good standing and reputation. Documentary bills are sold by shippers to bankers: they are negotiated between bankers sometimes, but merchants do not handle them except when acting temporarily as bankers. Bills of lading can not always be disposed of freely, nor are goods covered by same readily saleable unless in the hands of the ultimate consignees.

Financial bills are time drafts drawn against credit with or without guarantee. They constitute the most extensively used means of ulilizing international credit and have served to develop immensely the production and trade of the world. Their use multiplies the amount of drafts drawn in a country, as they are covered at maturity by remittance and again used for the same purpose. They afford the most powerful and cheapest means of raising money without actual employment of gold. The public can not know the difference between an ordinary draft and a financial bill except when the authority to draw is mentioned on the draft itself, which is seldom done. But this is immaterial as the guarantee lies in the RESPONSIBILITY OF THE DRAWER and that of the acceptor once the bill has been accepted.

The laws of all countries give under certain conditions to holders of drafts recourse against the drawer and all endorsers regardless of whether they have or had documents attached for acceptance, except when endorsement has been signed "without recourse." But a bill impaired by this clause is not openly negotiable.

Sometimes "letters of hypothecation" are given to accompany bills of lading. This gives authority to dispose of the goods in case of non-acceptance or non-payment of draft if papers or goods are to be deliv-

ered only against such acceptance or payment. In the United States "trusts receipts" are used to protect drafts drawn against shipments in certain cases, after shipping papers have been delivered. This form of security is seldom used elsewhere.

Rates for time drafts depend on various circumstances, besides the "gold points" and are fixed by the rating of the drawer, the demand and supply of the market for bills, need, facility of reselling, etc.

Letters of Credit are the authority, given by a banker to draw on himself, or on his correspondent or correspondents, drafts at sight or at time. They are used very extensively in financing foreign trade, and facilitate the movement of commodities by affording reliable guarantees to shippers and extraordinary convenience to buyers. They are issued for a certain fixed amount to be utilized in one block or by fractions within a specified time, against payment in cash or a guarantee of payment when drafts are presented for acceptance or payment. Usually bankers charge a commission for this service, rates of exchange being fixed at the time of issue or as and when the drafts are presented for acceptance or payment.

Letters of credit are also issued for the individual convenience of travelers. The issuer authorizes the holder to draw on him through any of the correspondents mentioned in the letter in one or several places, in one or several moneys at option within a certain time. They are issued against cash or guarantee of payment on presentation of drafts.

Securities (bonds and stocks) are used, also, to some extent by bankers in transferring money. They are usually represented by drafts drawn against them. Sometimes, however, securities are sent without drafts and are handled directly between parties as a regular transfer of money which is obtained on the sale or transfer of the securities at destination.

Exchange in Foreign Trade

Every shipment of goods is represented in one way or another by drafts. These are drawn either in the money of the shipping country, in that of the country of destination or in that of one of the international markets of exchange (London, Paris Hamburg, Antwerp, New York, etc.)

Documentary bills (or drafts)—those to which shipping papers are attached—are protected by the goods represented until accepted or paid following the agreement between the parties.

Clean bills are protected by the liability of the drawer until accepted, and thereafter by him and the drawee.

The whole volume of the world's international trade is done through one of these two forms of "exchange." Commercial letters of credit are practically drafts to be forthcoming.

Shipments of goods may not need a draft to follow immediately. When dealing on what is called "open account" drafts are not drawn against shipments, but some draft or drafts will sooner or later be drawn to settle the account.

Drafts at sight or at time include or not, according to agreement between parties, interest, expenses of collection and exchange.

To fix rates for the negotiation of drafts, the time to run, the distance, and the mode of payment are considered.

Theoretically the "gold point" (the limit above and below par at which gold can be exported or imported) fixes the maximum and minimum points of fluctuation in exchange rates. But in practice there are other factors taken into account.

Not everybody can sell drafts, not even if against money in deposit or against a shipment of goods. A buyer of the draft is needed, and to secure same the seller must have a commercial standing. Any bank will take a draft for collection, but may not be willing to advance the money (buy it). The standing of the drawer, as well as that of the drawee, must be considered. When assuming extra risks buyers often pass gold point limits.

Then, there are many countries on which drafts are not easily negotiable, because there is no demand for exchange on them. As an investment ordinary rates may not satisfy and extra inducements are necessary. These extra inducements cause rates to pass gold point limits. While rates of exchange on countries with which the United States maintains active trade, to and from which there is frequent and easy communication, and where commercial paper is easily rediscounted, are close to the gold points; they are much beyond or below these points when dealing with places where the requirements of trade do not call for, nor is there, facility to dispose of bills.

Countries shipping raw materials to the United States usually draw against bills of lading, when not in advance, there being infrequent need for direct exchange to pay for same. Bills on these countries are negotiated as investment, the money usually being tied up until remittance, after collection, is received.

Long time paper on London, Paris or Hamburg, whether documentary or clean bills, can, as a rule, be sold easily at convenient rates, there being a constant demand for it. While drafts on the Philippine Islands, South America and other countries, on which there is no demand for exchange, may be negotiated as investment (or loan) only. Gold points are not necessarily the factors for limiting fluctuation in this case. A large

portion of the drafts on countries on which there is no demand for exchange, are drawn in Pounds, Marks, or Francs, payable in local currency at the collecting bank's selling rate for sight or time drafts on London, Paris or Hamburg. They are in fact drafts on these markets receivable in a future period.

Finally, the certainty of obtaining actual gold is a factor of immense importance. Theoretically the majority of countries are on a strictly gold basis, that is, their different forms of money are convertible into gold on demand. But in practice gold is only obtainable when conditions of the markets are normal. England claims to be the only country where gold is obtainable always, and still by Act of Parliament the Bank of England has been authorized to suspend specie payments more than once. The Bank of France is permitted to redeem its notes with silver when so desired, and has taken advantage of this privilege more than once. Several European central banks also have raised obstacles in the way of redeeming their notes in gold at times.

Financial stress does not regularly prevail, but when it exists gold points become merely theoretical.

All tables in this booklet refer to normal times when gold is readily obtainable.

From the United States drafts are drawn in dollars, pounds sterling, francs, marks, lire, and gulden, very seldom are any other gold standard or gold exchange standard units used. Such drafts are payable, at sight or at time, usually 60 or 90 days after sight (or date) against shipping papers to be delivered upon acceptance or payment, in local currency at the collecting bank's selling rate for drafts. London being the center of financial clearings a large portion of our drafts are drawn in pounds sterling payable at the local rate for bills on that market.

All drafts drawn in other than the money of the place of payment should stipulate "payable in local currency at the collecting bank's selling rate for (sight or time) drafts," according to agreement prevailing. Otherwise disputes may arise as to how such drafts are payable. There being no official rates, quotations of different banks may lead to confusion.

When selling goods in dollars and drawing in pounds sterling or other foreign money it is customary to agree with the customer either on a fixed rate of conversion or on one to be fixed by the purchasing bank in the United States.

A draft on any place other than London, drawn in pounds sterling, payable 90 days after acceptance would be rated approximately as follows (considering time distance thirty days one way):

	If at Sight rate	If at 90 days rate
Exchange on London	$4.86	$4.80
Discount, 150 days (30 days to go, 90 to run, and 30 to return), at 6%	12½	12
	$4.73½	$4.68
Collection charges	.03½	.03
	$4.70	$4.65

The difference, between 90 day paper and sight dratfs, is based on the prevailing rate of discount in London.

In this case the "dollars" would be converted into pounds at $4.70 if payable at the rate of London bills at sight, or $4.65 if payable at the rate of 90 day paper, the drawer receiving the full amount of his invoice against the draft. Interest and other charges would be borne by the drawee, who would pay them in paying more pounds sterling. For instance, a shipment for $4,700 converted at $4.70 would require a draft for £1,000 which the buyer would pay in currency at the collecting bank's rate for sight drafts on London. But $4,700 is not £1,000; at par it is £965.15.6, and when paying £34.4.6 MORE, the customer is simply covering interest and collecting commission. Interest is about $117.50, the balance of $48.50 being the bank's profit. Of course when drafts are drawn "plus interest and other charges" no discount is made at this end.

The number of days charged for, when discounting a draft, is usually a trifle more than actually required. The reason for this is the uncertainty regarding the arrival of mails. Many drafts are acceptable only on arrival of goods which does not always occur simultaneously with the receipt of the correspondence. No refund is made for fewer days transpired, but, usually a charge is made when allotted time has been exceeded.

Profits in exchange stimulate the business of buying drafts and afford the means of developing trade under the most convenient conditions. Shippers receive promptly the value of their invoices and buyers obtain time to pay for them. The nominal commission charged for collecting drafts, alone, would not induce the banks to enter into the transaction.

Commercial letters of credit are extensively used in connection with foreign trade, shippers being authorized to draw on American bankers or bankers in other countries, against shipping papers to be delivered, against payment or acceptance of bills. Buyers settle with their bankers for delivery of shipping papers at destination, against payment or "trust receipts" for goods shipped, or other guarantee or without guarantee.

Rates of exchange affect trade, especially when dealing with large shipments of grain or other raw materials for which drafts are drawn in foreign money. The American exporter expects to receive American money for his shipment, and the better rate of conversion he can secure the better price he can make. In large transactions very small percentages are often decisive and may either secure orders or stand in their way.

Sometimes the difference in exchange is the only profit made in a large transaction, and while it may secure such profit only to the foreign customer yet the sale and export of the goods is made.

The rate of exchange is not so much a factor in the price of manufactured goods as it is in raw materials or semi-manufactured articles. Anyhow, better rates of conversion may slightly benefit the buyer and should not be disregarded.

London is, at present, the largest, if not practically the only, open market for rediscount of drafts for all the world. Therefore, the rate of interest prevailing there influences the rates of exchange everywhere. When the rate in the open market is 4% drafts on London obtain better prices here than when such rate is higher. A draft for £1,000 at 90 days' sight discounted at 4% (93 days considering the three days of grace which are always counted) obtains £989.16.2, while if the rate of discount is 6% it would only obtain £984.14.3. A bank in the United States, in making its rates for purchase, would take into consideration the difference and would pay about $25 less for the £1,000 in the second case.

This and "arbitrage" operating is followed more closely by exchange dealers and speculators than by exporters. But these must follow the domestic market for foreign exchange, as the greater efficiency is likely to assist and improve their business.

Bankers contract for exchange in advance of purchase and it is very convenient to secure a rate before quoting in foreign money for large shipments. As a rule, the most satisfactory results are obtained.

A quotation for coal to Brazil payable by a draft drawn to be settled with 90 day paper on London can be made a few cents less per ton if a better rate is secured. If a conversion rate of $4.70 per £1 for a shipload worth $47,000 is secured, a draft for £10,000 would have to be drawn. If only a rate of $4.65 can be obtained the draft would have to be made for £10,107.10.6. The difference of £107.10.6, slightly over 1%, saved in the first case would either lessen the cost to the buyer, or add to the profit of the shipper, but it might be just enough to secure the order.

Protecting the interest of foreign customers is a very good policy as it tends to promote better relations and increased trade is the consequence. And it demands very little extra attention from the American exporter.

Quoting and selling goods in foreign countries in their money is being adopted as a further convenience to buyers. Financing shipments in this form is more attractive to banks and bankers in the United States, since it affords more profits to them. Therefore, there is a natural tendency to encourage it.

Exchange profits on drafts drawn in DOLLARS usually, if not always, accrue to foreign banks undertaking the collection. These will earn such profits on converting the DOLLARS into local currency at the time of collection, by charging the payee THEIR RATE for selling drafts. Their provision of funds abroad is made at lower rates when buying drafts on the market. The American bank discounting (advancing the money) a draft drawn in dollars on a foreign country, will only earn interest for the time its money is invested, and sometimes a nominal commission which is usually split with the foreign collecting bank.

But when drafts are drawn in the currency of the place of payment the American bank will make the profit in exchange and the foreign bank undertaking the collection will only earn a small commission for its services. Drafts drawn in other than dollars or the money of the place of payment afford exchange profits for both—the discounting (or purchasing) and the collecting bank.

It is to the interest of American business people to retain the largest possible portion of exchange profits at home, drawing in other than dollars. But, of course, this can only be done after agreement with buyers.

Although foreign customers may obtain sometimes an advantage on converting into their currency, at the time of payment, drafts drawn on them in foreign money, they prefer as a rule to be safe and to contract in their money. There is no extra charge against them when exchange profits are retained in the United States. Nor do they benefit if these are left to the advantage of banks located in their cities. But it certainly is a convenience not to have an uncertain rate of exchange to consider when doing business.

Sales can not be made safely in foreign money, except with countries on a gold basis or with those using a currency so guaranteed as to run practically no risk.

Conversion of American money, in this case, is safely done by taking the "minimum" possible rate of exchange from the United States which is the "maximum" from the country to be considered.

For instance, a sale to Germany can be arranged in marks by converting the DOLLARS into German money at 23.5 cents per mark, which is the "minimum" rate which can be offered here for such money. A shipment worth $2,350 could be quoted and safely sold for Mks 10,000. On receiving such Mks 10,000 in Germany and wishing to convert them into DOLLARS to remit to the United States, a draft can be bought at no higher rate (maximum) than Mks. 4.25 per $1. If more than Mks 4.25 was demanded the German money could be converted into gold and exported to this country. Ten thousand marks would obtain here, as bullion, $2,382.10 or $32.10 more than the value required. These $32.10 would be enough to cover the expense of transportation and the delay.

India is not a gold standard country, but its currency is guaranteed by the British Government, so that it is quite safe to sell in rupees. Conversion in this case would have to be made at the rate of 31.8 cents per

rupee, which is the minimum value a rupee can obtain in this country. A shipment worth $3,180 could be quoted and sold for Rs. 10,000. When receiving said value in India, it is possible to convert it into sight draft on New York at a rate not higher than Rs. 3.2.3 per dollar. If more than this rate was demanded the currency could be presented at the conversion office, and exchanged for gold. As the British Government guarantees and redeems Indian currency at the rate of 15 rupees to £1 the Rs. 10,000 would be exchanged for £666.13.4 in gold. This amount exported to New York would be worth at par ($4.86656 per £1) $3,244.36 or $64.36 over the amount required. These $64.36 would cover transportation and all other expenses.

Countries with which it is absolutely safe to deal in their money are (1) all Europe, except Servia, Bulgaria, Greece and Turkey for the moment, and also having in mind the premium for gold prevailing in Portugal and Spain; (2) all Africa, except Morocco, Abyssinia, and Eritrea, which are on a silver basis; (3) India, Ceylon, Dutch East Indies, Siam, Japan, Straits Settlements, Malay States and Philippines, in Asia; (4) Australia, New Zealand, and Hawaii and all colonies in Oceania, and (5) Canada, Newfoundland, British and Dutch West Indies, Cuba, Porto Rico, Costa Rica, Panama, Ecuador, Peru, Bolivia, Argentina, Brazil, Uruguay and Venezuela.

Arbitrage

Arbitrage is the simultaneous negotiation of exchange between three or more different money markets.

International trade and financial transactions cause movements in exchange which do not follow, as a rule, the same course in all markets at a given moment. These movements afford opportunity for earning profits in the transfer of money from some places to others. This is done by cable and by drafts, with the object of taking advantage of the differential rates in the various markets.

For instance, New York bankers will draw on London and cover by remittance on Berlin, ordering the transfer of funds from this city to London direct or through Paris, Antwerp, Amsterdam, or another market where exchange could be bought at a profit.

Fluctuations occur through rise and fall of interest rates in one or more of the money markets, used in these transactions. However, the profit arising from differential rates is reduced to such a small percentage that it is negligible to those not carrying on a very large business in this line.

One pound sterling is equivalent at par to $4.86656 American money, and to Francs 25.22154, and the Franc in New York is worth $0.19295, at par also. Fluctuation limits between England, France, and the United States keep very close within their "gold points"; but the supply of, and the demand for exchange, as well as the interest rates are not always the same in the three countries, and the same proportional rating is not always maintained.

If a New York banker sells a sight draft on London for £1,000 at $4.87 he will obtain $4,870, and if he invests this amount in Paris exchange at $0.192 per franc he will secure a draft for francs 25,364.05. Should he instruct his Paris correspondent to buy with this amount exchange on London and this is done at the rate of Fcs 25.20 per pound sterling a remittance of £1,006.10.2 would be made to the London correspondent of the New York banker, closing the transaction with a profit of only £6.10 2 or $31.70. This profit is apparently very small, but as these transactions are done several times a day, and involve many hundreds of thousands of pounds, they become, in the end, a source of large profits to bankers engaged in this class of business.

The figures mentioned are set forth merely as an example, and do not refer to any given case. Usually margins of profit are very much smaller than the one quoted.

Arbitrage is transacted through cable transfers as well as through Commercial and financial bills, or against reciprocal credits. In fact, in one sense it is frequently employed for the purpose of international "kiting" on a large scale, and is carried on as much for trade conveniences, as for credit operating and speculation.

Merchants and exporters very seldom depart from their own lines in this regard. When they wish to remit to Paris they buy a draft on Paris, without looking for an advantage in exchange going via London or another market. And when they have a draft on London to sell they sell it outright in New York (or at their place of business) without seeking to make a profit by sending it to Hamburg or another place to convert into American money or to have a balance to draw against. When they do so they become temporarily bankers and assume the inherent risks.

Exporters who dispose of drafts and take their bank's rate without further investigation, and importers buying exchange at rates fixed by their bankers, afford abundant material for this speculation. The individual transactions of each are not worth, as a rule, any more trouble, but taken in the aggregate they represent huge amounts and provide for a good part of bankers' and exchange dealers' earnings in this line. Arbitrage profits are kept down by natural competition, they are perfectly legitimate, and are honestly earned. Against them the banks and bankers offer the inestimable service of credit extended to almost every merchant of good repute, when buying their drafts protected or not by shipping papers.

Securities are used to a certain extent in the arbitrage of exchange yielding profit not only on exchange rates but also in the matter of price as quoted in the different markets. But this would rather come under "stock arbitrage" than within money exchange transactions.

Table of Moneys in Actual Use

SILVER AT 55 CENTS OZ. FINE. PAPER MONEY APPROXIMATE VALUE

* Silver Standard. ** Paper Money.

NAME	COUNTRY	DIVISION	VALUE IN U. S. MONEY
Anna (s)	India	1/16 of Rupee	$0.02028
Balboa (s)	Panama	100 centesimos	1.00
Banu (i)	Roumania	1/100 of Leu	0.00193
Belion	Morocco	1/20 Rial	0.01989*
Besa (e)	Abyssinia	1/100 Talari	0.00415*
Besa (e)	Eritrea	1/100 Tallero	0.00398*
Bit	Danish West Indies	1/100 of Franc	0.00193
Bolivar (es)	Venezuela	100 centimos	0.19295
Boliviano (s)	Bolivia	100 centavos	0.38932
Cent (s)	Newfoundland	1/100 of Dollar	0.01014
Cent (s)	United States, Canada, Cuba, Hawaii, Porto Rico, British West Indies, British Guiana, British Honduras, Dominican Rep., Liberia	1/100 of Dollar	0.01
Cent (s)	Hongkong and China	1/100 of Dollar	0.00429*
Cent (s)	China	1/100 of Tael (kuping)	0.00646*
Cent (s)	China	1/100 of Tael (Haikwan)	0.00663*
Cent (s)	Straits Settlements and Federated Malay States	1/100 of Dollar	0.00567
Cent (s)	Netherlands	1/100 of Guilder	0.00402
Cent (s)	Ceylon, British East Africa, Zanzibar, Somaliland (Italian)	1/100 of Rupee	0.00324
Centavo (s)	Portugal	1/100 of Escudo	0.01080
Centavo (s)	Nicaragua (new)	1/100 of Cordoba	0.01
Centavo (s)	Philippines	1/100 of Peso	0.00500
Centavo (s)	Mexico	1/100 of Peso	0.00498
Centavo (s)	Peru	1/100 of Sol	0.00487
Centavo (s)	Ecuador	1/100 of Sucre	0.00487
Centavo (s)	Argentina	1/100 of Peso (gold)	0.00965
Centavo (s)	Argentina	1/100 of Peso (paper)	0.00424
Centavo (s)	Honduras and Salvador	1/100 of Peso	0.00398*
Centavo (s)	Bolivia	1/100 of Boliviano	0.00389
Centavo (s)	Chile	1/100 of Peso (paper)	0.00200**
Centavo (s)	Chile	1/100 of Peso (gold)	0.00365
Centavo (s)	Guatemala	1/100 of Peso (paper)	0.00050**
Centavo (s)	Nicaragua (old)	1/100 of Peso (paper)	0.00060**
Centavo (s)	Paraguay	1/100 of Peso (paper)	0.00070**
Centesimo (s)	Uruguay	1/100 of Peso	0.01034
Centesimo (s)	Panama	1/100 of Balboa	0.01
Centesimo (i)	Italy	1/100 of Lira	0.00193
Centimo (s)	Costa Rica	1/100 of Colon	0.00465
Centimo (s)	Spain	1/100 of Peseta	0.00193
Centimo (s)	Venezuela	1/100 of Bolivar	0.00193
Centime (s)	France, Belgium, Monaco, and Switzerland	1/100 of Franc	0.00193
Centime (s)	Haiti	1/100 of Gourde	0.00250**
Centime (s)	Indo-China	1/100 of Piastre	0.00430*
Colon (es)	Costa Rica	100 centimos	0.46536
Cordoba (s)	Nicaragua (new)	100 Centavos	1.00
Dinar (s)	Servia	100 Paras	0.19295
Dinar (s)	Persia	1/50 of Shahi	0.0007*
Dollar (s)	Newfoundland	100 cents	1.01387
Dollar (s)	United States, Hawaii, Porto Rico, Canada, Cuba, British West Indies, British Guiana, British Honduras, Dominican Rep., Liberia	100 cents	1.00

NAME	COUNTRY	DIVISION	VALUE IN U. S. MONEY
Dollar (s)	Straits Settlements and Federated Malay States	100 cents	$0.56776
Dollar (s)	China, Hongkong	100 cents	0.42898*
Drachma (i)	Greece	100 Lepta	0.19295
Escudo (s)	Portugal	100 centavos	1.08056
Filler	Hungary	1/100 of Korona	0.00203
Florin (s)	Netherlands	100 cents	0.40196
Franc (s)	France, Belgium, Monaco, and Switzerland	100 centimes	0.19295
Gourde	Haiti	100 centimes	0.25000**
Guilder (lden)	Netherlands	100 cents	0.40196
Heller	Austria	1/100 of Krone	0.00203
Heller	German East Africa	1/100 of Rupee	0.00317
Kopeck (s)	Russia	1/100 of Rouble	0.00515
Korona	Hungary	100 Filler	0.20263
Kran (s)	Persia	20 Shahis	0.07328*
Krona (or)	Sweden	100 Ore	0.26799
Krone (er)	Denmark and Norway	100 Ore	0.26799
Krone (n)	Austria	100 Heller	0.20263
Lepton (pta)	Greece	1/100 of Drachma	0.00193
Leu (i)	Roumania	100 Bani	0.19295
Lev (a)	Bulgaria	100 Stotinki	0.19295
Libra (s)	Peru	10 Soles	4.86656
Lira	Egypt	1 Egyptian Pound	4.94307
Lira (e)	Italy	100 Centesimi	0.19295
Lira	Turkey	1 Turkish Pound	4.39642
Maria Theresa Thaler	Northeast Coast Africa	100 cents	0.41362*
Mark	Germany	100 Pfennige	0.23821
Markka (a)	Finland	100 Pennia	0.19295
Millieme	Egypt	1/10 Piastre	0.00494
Milreis	Brazil	1000 Reis (gold)	0.54615
Milreis	Brazil	1000 Reis (paper)	0.32444
Milreis	Portugal (old)	1000 Reis	1.08046
Ore	Denmark, Sweden and Norway	1/100 of Krone (a)	0.00268
Para (s)	Servia	1/100 of Dinar	0.00193
Para (s)	Montenegro	1/100 of Perper	0.00203
Para (s)	Egypt	1/4 of Milleme	0.00123
Para (s)	Turkey	1/40 of Piastre	0.00109
Penni (a)	Finland	1/100 of Markka	0.00193
Penny (ies)	United Kingdom, Australia, New Zealand, and majority of British Colonies	1/12 of Shilling	0.02028
Perper (a)	Montenegro	100 Paras	0.20263
Peseta (s)	Spain	100 Centimos	0.19295
Peso (s)	Argentina (gold)	100 Centavos	0.96475
Peso (s)	Argentina (paper)	100 Centavos	0.42449
Peso (s)	Uruguay	100 Centesimos	1.03424
Peso (s)	Chile	100 Centavos (paper)	0.20 **
Peso (s)	Chile	100 Centavos (gold)	0.365
Peso (s)	Colombia	100 Centavos (paper)	0.01 **
Peso (s)	Guatemala	100 Centavos (paper)	0.05 **
Peso (s)	Nicaragua (old)	100 Centavos (paper)	0.06 **
Peso (s)	Paraguay	100 Centavos (paper)	0.07 **
Peso (s)	Honduras and Salvador	100 Centavos	0.39786*
Peso (s)	Mexico	100 Centavos	0.49846
Peso (s)	Philippines	100 Centavos	0.50
Peso (s)	Panama (old) Half-Balboa	100 Centavos	0.50
Peso (Spanish gold)	Cuba	100 Centavos	0.96475
Pfennig (e)	Germany	1/100 of Mark	0.00238
Piastre (s)	Egypt	1/100 of Eg. Pound	0.04943
Piastre (s)	Turkey	1/100 of T. Pound	0.04396

NAME	COUNTRY	DIVISION	VALUE IN U. S. MONEY
Piastre (s)	Indo-China	100 Centimes	$0.42968*
Pice (s)	India	1/4 Anna	0.00507
Pie (s)	India	1/3 Pice or 1/12 Anna	0.00169
Pound (Sterling)	United Kingdom, Australia, New Zealand, and other British Colonies	20 Shillings	4.86656
Pound (Egyptian)	Egypt	100 Piastres	4.94307
Pound (Turkish)	Turkey	100 Piastres	4.39642
Reis (Real)	Portugal	1/1000 of Milreis	0.00108
Reis (Real)	Brazil	1/1000 of Milreis (gold)	0.00054
Reis (Real)	Brazil	1/1000 of Milreis (paper)	0.00032
Rial	Morocco	20 Belions	0.39786*
Rin	Japan	1/10 of Sen	0.00049
Rouble	Russia	100 Kopecks	0.51456
Rupee (s)	Ceylon, British East Africa, Zanzibar, Italian Somaliland	100 cents	0.32444
Rupee (s)	India	16 Annas	0.32444
Rupee (s)	German East Africa	100 Heller	0.31761
Satang (s)	Siam	1/100 Tical	0.00371
Sen	Japan	1/100 Yen	0.00498
Shahi (s)	Persia	1/20 Kran	0.00366*
Shilling (s)	United Kingdom, etc	1/20 of Pound	0.24333
Sol (es)	Peru	1/10 of Libra	0.48666
Stiver	Netherlands	5 Cents	0.02009
Stotinka (i)	Bulgaria	1/100 of Lev	0.00193
Suere (s)	Ecuador	100 Centavos	0.48666
Tael (Kuping)	China	100 Cents	0.64659*
Tael (Haikwan)	China	100 Cents	0.66367*
Talari	Abyssinia	100 Bese	0.41452*
Tallero (i)	Eritrea	100 Bese	0.39786*
Thaler (Maria Ther.)	Northeast Coast of Africa	100 Cents	0.41362*
Tical	Siam	100 Satang	0.37085
Yen	Japan	100 Sen	0.49846
Yuan	China (Chinese dollar)	100 Cents	0.42878*

Names of Some Coins, Used at Times in Business

Alexander	Bulgaria	20 Leva	$3.85900
Alfonsino	Spain	25 Pesetas	4.82375
Centen	Cuba	25 Pesetas	4.82375
Condor	Ecuador	10 Sucres	4.86656
Coroa	Portugal	10 Milreis	10.80460
Crown	United Kingdom	5 Shillings	1.21666
Ducat	Netherlands	5.70 Gulden	2.28267
Ducat	Austria	11.29 Kronen	2.28792
Eagle	United States	10 Dollars	10.
Farthing	United Kingdom	1/4 Penny	0.00507
Florin	United Kingdom	2 Shillings	0.48666
Half-Crown	United Kingdom	2 Shillings and 6 Pence	0.60833
Imperial	Russia	15 Roubles	7.71839
Krone	Germany	10 Marks	2.38209
Louis	France	20 Francs	3.85900
Luis	Cuba	20 Francs	3.85900
Medjidie	Turkey	20 Piastres	0.86928
Napoleon	France	20 Francs	3.85900
Soldo (i)	Italy	5 Centesimi	0.00964
Sou (s)	France	5 Centimes	0.00964
Sovereign	United Kingdom	1 Pound Sterling	4.86656
Teherek	Turkey	5 Piastres	0.21732

Names of Some Quantities of Money Referred to in Trade

Conto	Portugal	1000 Milreis	$1080.46
Conto	Brazil	1000 Milreis (gold)	546.15
Conto	Brazil	1000 Milreis (paper)	324.44
Crore	India	100 Lacs (10,000,000 Rp.)	$3,244,373.33
Guinea	United Kingdom	21 Shillings	5.11
Lac	India	100,000 Rupees	32,443.73

Value of the Gramme of Gold

According to the intrinsic GOLD value of the UNITS in countries using the GOLD or the GOLD EXCHANGE Standards the GRAMME of GOLD (fine) is worth as follows:

GOLD STANDARD COUNTRIES:

Egypt	0.134453 of £E.	1 or £E.	$0.13.4^{453}$
Great Britain	0.136567 of £	1 or £	$0.2.8^{7761}$
Peru	0.136567 of £p.	1 or £p.	$0.1.36^{567}$
Turkey	0.151171 of £T.	1 or £T.	$0.15.4^{684}$
Portugal	0.615116 of E.	1 or E.	0.61^{6116}
Uruguay	0.642611 of $	1 or $	0.64^{2611}
Newfoundland	0.655518 of $	1 or $	0.65^{5518}
United States, etc	0.664603 of $	1 or $	0.66^{4603}
Russia	1.291606 of Rb.	1 or Rb.	1.29^{1606}
Japan	1.333333 of Y.	1 or Y.	1.33^{3333}
Ecuador	1.365676 of S/.	1 or S/.	1.36^{5676}
Costa Rica	1.428163 of C.	1 or C.	1.42^{8163}
Netherlands	1.653439 of G.	1 or G.	1.65^{3439}
Bolivia	1.707095 of B.	1 or B.	1.70^{7095}
Scandinavian States	2.479974 of K.	1 or Kr.	2.47^{9974}
Germany	2.790000 of M.	1 or M.	2.79
Austria-Hungary	3.279979 of K.	1 or Kr.	3.27^{9979}
Montenegro	3.279979 of P.	1 or P.	3.27^{9979}
Latin Union	3.444444 of Fr.	1 or Fr.	3.44^{4444}

GOLD EXCHANGE STANDARD COUNTRIES:

Panama	0.664603 of B.	1 or B.	0.66^{4603}
Nicaragua	0.664603 of C/.	1 or C/.	0.66^{4603}
Straits Settlements	1.170576 of $	1 or $	1.17^{0576}
Philippines	1.329206 of P.	1 or P.	1.32^{9206}
Mexico	1.333333 of $	1 or $	1.33^{3333}
Argentina	1.565670 of $c/l	1or $c/l	1.56^{5670}
Siam	1.792114 of T.	1 or T.	1.79^{2114}
India	2.048508 of Rp.	1 or Rp.	2.0.3
Ceylon	2.048508 of Rp.	1 or Rp.	2.04^{8508}
Brazil	2.048508 of	1$ or	$2$048^{508}$
British East Africa and Zanzibar	2.048508 of Rp.	1 or Rp.	2.04^{8508}
Italian Somaliland	2.048508 of Rp.	1 or Rp.	2.04^{8508}
German East Africa	2.092500 of Rp.	1 or Rp.	2.09^{2500}

Coining Value of the Ounce of Gold 1000 000 Fine

Gold Standard Countries

Egypt	£E.	£	16.2[700]
Great Britain	£	£	4 11[65]
Peru	£p.	£	4 0.4[750]
Turkey	£T.	£	4 [illegible]
Portugal	E.	Rs.	[illegible]
Uruguay	$	Rs.	2 [illegible][70]
Newfoundland	$	Rs.	20 [illegible][00]
UNITED STATES	$	Rs.	20 [illegible][00]
Russia	R.	Rs.	[illegible]
Japan	Y	Rs.	[illegible]
Ecuador	S	Rs.	[illegible]
Costa Rica	C	Rs.	[illegible]
Netherlands	G.	Rs.	[illegible]
Bolivia	B.	Rs.	[illegible]
Scandinavia	Kr.	Rs.	[illegible]
Germany	M.	Rs.	[illegible]
Austria-Hungary	Kr.	Rs.	[illegible]
Montenegro	P.	Rs.	[illegible]
Latin Union	F.	Rs.	[illegible]

Gold Exchange Standard Countries

Panama	B.	Rs.	[illegible]
Nicaragua	C.	Rs.	[illegible]
Straits Settlements	$	Rs.	[illegible]
Philippines	P.	Rs.	[illegible]
Mexico	$	Rs.	[illegible]
Argentina	$c. l.	Rs.	[illegible]
Siam	T.	Rs.	[illegible]
Brazil		Rs.	[illegible]
Ceylon	R.	Rs.	[illegible]
India	R.	Rs.	[illegible]
British East Africa, Zanzibar	R.	Rs.	[illegible]
Italian Somaliland	R.	Rs.	[illegible]
German East Africa	R.	Rs.	[illegible]

Par Value of the American Dollar

Gold Standard Countries

Egypt	£E.	$	[illegible]
Great Britain	£	$	[illegible]
Peru	£p.	$	[illegible]
Turkey	£T.	$	[illegible]
Portugal	E.	$	[illegible]
Uruguay	$	$	[illegible]
Newfoundland	$	$	[illegible]
Russia	R.	$	[illegible]
Japan	Y	$	[illegible]
Ecuador	S	$	[illegible]
Costa Rica	C	$	[illegible]
Netherlands	G.	$	[illegible]
Bolivia	B.	$	[illegible]
Scandinavia	Kr.	$	[illegible]
Germany	M.	$	[illegible]
Austria-Hungary	Kr.	$	[illegible]
Montenegro	P.	$	[illegible]
Latin Union	F.	$	[illegible]

Gold Exchange Standard Countries

Panama	B.	$	1
Nicaragua	C.	$	1
Straits Settlements	$	$	[illegible]
Philippines	P.	$	[illegible]
Mexico	$	$	[illegible]
Argentina	$c. l.	$	[illegible]
Siam	T.	$	[illegible]
Brazil		$	[illegible]
Ceylon	R.	$	[illegible]
India	R.	$	[illegible]
British East Africa, Zanzibar	R.	$	[illegible]
Italian Somaliland	R.	$	[illegible]
German East Africa	R.	$	[illegible]

Coining Value of the Ounce of Silver 1000 000 Fine in Silver Standard Countries

China (Kuping Tael)	T.	Rs.	[illegible]	
French Indo-China	P.	Rs.	[illegible]	
China Dollar	$	Rs.	[illegible]	
Hongkong	$	Rs.	[illegible]	
Abyssinia	T.	Rs.	[illegible]	
Honduras	$	Rs.	[illegible]	
Salvador	$	Rs.	[illegible]	
Morocco	R.	Rs.	[illegible]	
Italian Eritrea	T.	Rs.	[illegible]	
Afghanistan	R.	Rs.	[illegible]	[illegible]
Persia	T.	Rs.	[illegible]	[illegible]

Time Distances

From New York

Time usually considered in the purchase of sight drafts as necessary to receive remittances. For time drafts additional days to run. When dealing with drafts acceptable after arrival of goods more time is considered. Time distance is not considered on drafts drawn payable at certain time after date.

SOUTH AMERICA

Argentina:	Days
Buenos Aires	40
Bahia Blanca	42
Cordoba	45
Mendoza	45
Rosario	42
Santa Fe	42
Santiago del Estero	45
Bolivia:	
Cochabamba	50
La Paz	70
Oruro	60
Potosi	60
Sucre	60
Brazil:	
Bahia	45
Maceio	45
Para	36
Pernambuco	36
Rio de Janeiro	44
Sao Paulo	40
Chile:	
Antofagasta	35
Arica	60
Caldera	70
Coquimbo	70
Iquique	60
Santiago	40
Talcahuna	35
Valparaiso	40
Colombia:	
Barranquilla	30
Bogota	40
Buenaventura	30
Cali	40
Cartagena	30
Manizales	40
Medellin	40
Popayan	40
Santa Marta	30
Tumaco	40
Ecuador:	
Bahia	40
Cuenca	40
Esmeraldas	30
Guayaquil	40
Manta	40
Riobamba	40
Quito	40
Paraguay:	
Asuncion	60
Peru:	
Arequipa	40
Callao	40
Lima	40
Mollendo	40
Paita	30
Trujillo	40
Uruguay:	
Montevideo	40
Paysandu	40
Venezuela:	
Caracas	30
Ciudad Bolivar	30
La Guaira	30
Maracaibo	30
Puerto Cabello	30

CENTRAL AMERICA

Costa Rica	Days
Puerto Limon	35
Puntarenas	30
San Jose	29
Honduras:	
Amapala	36
Puerto Cortez	34
Puerto Ortez	35
Tegucigalpa	45
Salvador:	
Acajutla	45
Santa Ana	44
San Salvador	43
Santa Tecla	44
Panama:	
Colon	25
Panama	25
Guatemala:	
Champerico	37
Guatemala	30
Livingston	31
Ocos	40
Puerto Barrios	35
Quezaltenango	34
San Jose	34
Nicaragua:	
Bluefields	28
Corinto	40
Granada	39
Leon	39
Managua	38

NORTH AMERICA

Canada:	Days
Montreal	6
Ottawa	6
Quebec	6
Toronto	6
Vancouver	25
Victoria	25
Winnipeg	10
Newfoundland:	
St. John	25
Mexico:	
Guaymas	30
Mexico City	30
Monterrey	30
Progreso	30
Puebla	30
Tampico	30
Veracruz	30

WEST INDIES

Bahamas:	Days
Nassau	16
Bermuda:	
Hamilton	6
Barbados:	
Bridgetown	24
British Guiana:	
Georgetown	30
British Honduras:	
Belize	28
Cuba:	
Cardenas	28
Caibarien	28
Havana	28
Manzanillo	28
Sagua la Grande	28
Santiago	28
Curacao:	
Willemstad	24
Dominican Republic:	
Azua	24
Barahona	24
Monte Cristi	24
Puerto Plata	24
Samana	24
Sanchez	24
Santo Domingo	24
Jamaica:	
Kingston	28
Martinique:	
Fort de France	24
St. Lucia:	
Castries	24
St. Thomas:	
St. Thomas	24
Dominica:	
Roseau	24
Dutch Guiana:	
Paramaribo	30
French Guiana:	
Cayenne	30
Grenada:	
St. George	28
Guadeloupe:	
Basse-Terre	24
Haiti:	
Cape Haitien	24
Gonaives	24
Jacmel	24
Jeremie	24
Miragoane	24
Port Au Prince	24
Port de Paix	24
Porto Rico:	
Aguadilla	24
Arecibo	24
Mayaguez	24
Ponce	24
San Juan	24
Trinidad:	
Port of Spain	30

TIME DISTANCES—Continued

ASIA

	Days
Arabia:	
Aden	45
Jeddah	45
Mascat	45
China:	
Canton	66
Hongkong	60
Peking	66
Shanghai	60
Ceylon:	
Colombo	54
Dutch East Indies:	
Batavia	75
Samarang	81
Soerabaya	81
India (British):	
Bombay	54
Calcutta	60
Karachi	54
Madras	54
Rangoon	66
Philippines:	
Manila	66
Ilo Ilo	75
Siam:	
Bangkok	81
Siberia:	
Vladivostock	60
Indo-China:	
Haiphong	75
Hue	75
Saigon	75
Tonquin	75
Japan:	
Kobe	60
Nagasaki	60
Osaka	60
Tokyo	54
Yokohama	54
Persia:	
Bunder-Abbass	75
Bushire	75
Teheran	90
Straits Settlements:	
Penang	75
Selangor	81
Singapore	66
Turkey:	
Bagdad	60
Jaffa	54
Smyrna	54

OCEANIA

	Days
Australia:	
Adelaide	66
Brisbane	66
Fremantle	75
Hobart	80
Melbourne	66
Perth	80
Sydney	66
Hawaii:	
Honolulu	50
New Zealand:	
Auckland	54
Wellington	54

EUROPE

	Days
Austria-Hungary:	
Budapest	24
Fiume	24
Praga	24
Trieste	24
Vienna	24
Belgium:	
Antwerp	24
Brussels	24
Bulgaria:	
Sofia	60
Varna	60
France:	
Bordeaux	24
Havre	24
Cherbourg	18
Lyons	24
Marseilles	30
Paris	20
Tours	30
Greece:	
Athens	36
Canea (Crete)	40
Italy:	
Brindisi	24
Florence	24
Genoa	24
Milan	24
Naples	24
Rome	24
Turin	24
Norway:	
Bergen	24
Christiania	24
Stavanger	24
Roumania:	
Bucharest	60
Bourgas	60
Galatz	60
Constance	60
Servia:	
Belgrade	60
Spain:	
Barcelona	30
Cadiz	30
Granada	30
Madrid	30
Malaga	33
Santander	30
Denmark:	
Copenhagen	30
Finland:	
Abo	30
Helsingfors	30
Germany:	
Berlin	24
Bremen	20
Dresden	24
Hamburg	20
Munich	24
Nurmberg	24
Stuttgart	24
Malta:	
Valetta	30
Montenegro:	
Antivari	54
Cettinje	54
Netherlands:	
Amsterdam	24
Hague	24
Rotterdam	24
Portugal:	
Lisbon	30
Oporto	30
Russia:	
Batoum	36
Moscow	30
Odessa	36
Riga	30
St. Petersburg	30
Warsaw	36
Sweden:	
Goteborg	30
Malmo	30
Stockholm	30
Switzerland:	
Basle	24
Berne	24
Geneva	24
Interlaken	30
Lucerne	24
Zurich	24
Turkey:	
Constantinople	36
United Kingdom:	
Belfast	20
Birmingham	18
Cork	18
Dublin	18
Edinburgh	20
Glasgow	20
Leeds	20
Liverpool	18
London	20
Manchester	18
Southampton	18

AFRICA

	Days
Algeria:	
Algiers	30
Cameroons:	
Victoria	75
Egypt:	
Alexandria	36
Cairo	36
Khartum	48
Port Sudan	42
Suez	33
Gambia:	
Bathurst	54
German Southwest Africa:	
Luderitzbucht	72
Swakopmund	72
Liberia:	
Monrovia	72
Mauritius:	
Port Louis	120
British East Africa:	
Mombasa	60
Congo (Belgian):	
Boma	60
French West Africa:	
Bassam	72
Senegal	54
French Somali:	
Djibouti	72
German East Africa:	
Dar-Es-Salaam	72
Gold Coast:	
Accra	54
Madagascar:	
Antananarivo	66
Tamatave	66
Morocco:	
Casablanca	36
Fez	30
Tangier	24
Nigeria:	
Lagos	60
Old Calabar	60
Portuguese West Africa:	
Loanda	75
Zanzibar:	
Zanzibar	72
South Africa:	
Bloemfontein	66
Capetown	60
Durban	66
Johannesburg	66
Port Elizabeth	66
Pretoria	66
Portuguese East Africa:	
Lourenco Marquez	72
Mozambique	80
Seychelles:	
Mahe	60
Sierra Leone:	
Freetown	54

MONETARY UNITS

Table Showing their Composition, Weight and Fineness with Intrinsic Equivalents in and of United States Money

Gold Standard

COUNTRIES	UNIT	WEIGHT (GRAMMES)	FINENESS	GRAMMES FINE GOLD	VALUE IN U.S. MONEY	VALUE OF $1 U. S. MONEY
United States	Dollar	1.67182	.900	1.50464	$1.00	$ 1.00
Austria	Krone	0.33875	.900	0.30488	0.20^{263}	Kr. 4.93^{519}
Belgium	Franc	0.32258	.900	0.29032	0.19^{295}	Fr. 5.18^{262}
Bolivia[1]	Boliviano	0.63904	$.916^{66}$	0.58579	0.38^{932}	Bol. 2.56^{855}
British West Indies	Dollar	1.67182	.900	1.50464	1.00	$ 1.00
British Honduras	Dollar	1.67182	.900	1.50464	1.00	$ 1.00
British Colonies[2]	Pound Stg.	7.98805	$.916^{66}$	7.32238	4.86^{656}	£ $0.4.1^{316}$
Bulgaria	Lev	0.32258	.900	0.29032	0.19^{295}	L. 5.18^{262}
Canada[3]	Dollar	1.67182	.900	1.50464	1.00	$ 1.00
Costa Rica	Colon	0.77801	.900	0.70020	0.46^{536}	Col. 2.14^{887}
Cuba	Dollar	1.67182	.900	1.50464	1.00	$ 1.00
Denmark	Krone	0.44803	.900	0.40323	0.26^{799}	Kr. 3.73^{148}
Ecuador	Sucre	0.81360	.900	0.73224	0.48^{668}	S/. 2.05^{484}
Egypt	Eg. Pound	8.50000	.875	7.43750	4.94^{307}	£E. $0.20.2.^{300}$
Finland	Markka	0.32258	.900	0.29032	0.19^{295}	Mka. 5.18^{262}
France	Franc	0.32258	.900	0.29032	0.19^{295}	Fr. 5.18^{262}
Germany	Mark	0.39825	.900	0.35842	0.23^{821}	Mk. 4.19^{793}
Great Britain	Pound Stg.	7.98805	$.916^{66}$	7.32238	4.86^{656}	£ $0.4.1^{316}$
Greece[4]	Drachma	0.32258	.900	0.29032	0.19^{295}	Dr. 5.18^{262}
Hawaii	Am. Dollar	1.67182	.900	1.50464	1.00	$ 1.00
Hungary	Korona	0.33875	.900	0.30488	0.20^{263}	Kr. 4.93^{519}
Italy	Lira	0.32258	.900	0.29032	0.19^{295}	Lir. 5.18^{262}
Japan	Yen	0.83333	.900	0.75000	0.49^{846}	Yen 2.00^{619}
Java[5]	Guilder	0.67200	.900	0.60480	0.40^{196}	Gld. 2.48^{783}
Korea	Yen	0.83333	.900	0.75000	0.49^{846}	Yen 2.00^{619}
Liberia[6]	Am. Dollar	1.67182	.900	1.50464	1.00	$ 1.00
Montenegro	Perpera	0.33875	.900	0.30488	0.20^{263}	Per 4.93^{519}
Netherlands	Guilder	0.67200	.900	0.60480	0.40^{196}	Gld. 2.48^{783}
Newfoundland	Dollar	1.66420	$.916^{66}$	1.52551	1.01^{387}	$ 0.98^{632}
Norway	Krone	0.44803	.900	0.40323	0.26^{799}	Kr. 3.73^{148}
Peru	Pvn. Pound	7.98805	$.916^{66}$	7.32238	4.86^{656}	£p. $0.2.05^{484}$
Porto Rico	Am. Dollar	1.67182	.900	1.50464	1.00	$ 1.00
Portugal[7]	Escudo	1.80650	.900	1.62585	1.08^{056}	E. 0.92^{644}
Roumania	Leu	0.32258	.900	0.29032	0.19^{295}	Lei. 5.18^{262}
Russia	Rouble	0.86025	.900	0.77423	0.51^{456}	Rbl. 1.94^{338}
Santo Domingo	Am. Dollar	1.67182	.900	1.50464	1.00	$ 1.00
Servia	Dinar	0.32258	.900	0.29032	0.19^{295}	Din. 5.18^{262}

Egyptian Pound is divided into 100 Piastres of 10 Ochr-el-guerch, or milliemes. British Pound is divided into 20 Shillings of 12 Pence. Turkish Pound is divided into 100 Piastres of 40 Paras. Peruvian Pound is divided into 10 Soles of 100 Centavos. All other units are divided into hundredths.

[1] No gold coined yet. [2] Not otherwise specified. [3] No Canadian gold coined yet. [4] Circulating medium is paper. Gold is at about 2% premium. [5] And other Dutch colonies. [6] No Liberian gold coined. [7] Circulating medium is paper. Gold has a premium of about 17%.

GOLD STANDARD—Continued

COUNTRIES	UNIT	WEIGHT (GRAMMES)	FINENESS	GRAMMES FINE GOLD	VALUE IN U.S.MONEY	VALUE OF $1 U. S. MONEY
Spain[1]	Peseta	0.32258	.900	0.29032	0.19^{296}	Pes. 5.18^{262}
Sweden	Krona	0.44803	.900	0.40323	0.26^{799}	Kr. 3.73^{148}
Switzerland	Franc	0.32258	.900	0.29032	0.19^{296}	Fr. 5.18^{262}
Turkey	Tk. Pound	7.21600	.916^{66}	6.61500	4.39^{642}	£T. 0.22.29^{83}
Uruguay	Peso	1.69700	.917	1.55615	1.03^{424}	$ 0.96^{689}
Venezuela	Bolivar	0.32258	.900	0.29032	0.19^{295}	Bol. 5.18^{262}

Gold Exchange Standard

COUNTRIES	UNIT	CIRCULATION	WEIGHT (GRAMMES)	FINENESS	VALUE IN U. S. MONEY	VALUE OF $1 U. S. MONEY
Argentina[2]	Peso	Paper	.....	.....	$0.42^{449}	$c/l 2.35^{576}
Brazil[3]	Milreis	Paper	.....	.....	0.32^{444}	3$0S2^{260}
British East Africa	Rupee	Silver	11.664	.916^{66}	0.32^{444}	Rp. 3.08^{226}
Ceylon	Rupee	Silver	11.664	.916^{66}	0.32^{444}	Rp. 3.08^{226}
German East Africa	Rupee	Silver	11.664	.916^{66}	0.31^{761}	Rp. 3.14^{851}
India	Rupee	Silver	11.664	.916^{66}	0.32^{444}	Rp. 3.1.4
Italian Somaliland	Rupee	Silver	11.664	.916^{66}	0.32^{444}	Rp. 3.08^{226}
Malay Federated States	Dollar	Silver	20.217	.900	0.56^{776}	$ 1.76^{130}
Mexico	Peso	Gold	0.833	.900	0.49^{846}	$ 2.00^{619}
	Peso	Silver	27.073	.9027	0.49^{846}	$ 2.00^{619}
Nicaragua	Cordoba	Silver	25.000	.900	1.	C 1.00
Panama[4]	Balboa	Gold	1.672	.900	1.00	B. 1.00
	Peso	Silver	25.000	.900	0.50	P. 2.00
Philippines	Peso	Silver	20.000	.800	0.50	P. 2.00
Siam[5]	Tical	Silver	25.000	.900	0.37^{085}	Tic. 2.69^{661}
	Tical	Gold	0.620	.900	0.37^{085}	Tic. 2.69^{661}
Straits Settlements	Dollar	Silver	20.217	.900	0.56^{776}	$ 1.76^{130}
Zanzibar	Rupee	Silver	11.664	.916^{66}	0.32^{444}	R. 3.08^{226}

Brazilian Milreis is divided into 1000 Reis. Indian Rupee is divided into 16 Annas of 12 Pies. All other units are divided into hundredths.

[1] Circulating medium is paper. Gold is about 9% premium. [2] Gold Peso weighed 1.61294 grammes .900 fine, the value of which in U. S. currency is $0.96475. American dollar = $1.03650 Argentine gold. Legal currency or "Curso legal" is the paper Peso guaranteed by the Government at 44% of its face value. [3] Gold Milreis weighed 0.89645 grammes .916 fine, value of which is $0.54615 American gold. One dollar American money would be 1$.831 Brazilian gold. Present currency is Government notes guaranteed at the rate of 16 pence per Milreis. [4] No Panamanian gold coined. Currency is composed of Silver Pesos or Half-Balboas (the guaranteed value of which is $0.50 U. S. currency) and American gold coins. [5] No gold coined yet.

Silver Standard

COUNTRIES	UNIT	WEIGHT (GRMS.)	FINENESS	FINE SILVER (GRMS.)	% OF OUNCE	VALUE IN U. S. MONEY AT 55 CTS. PER OZ.	VALUE OF $1 U. S. MONEY
Abyssinia	Talari	28.075	0.835	23.44263	0.753685	$0.41^{452}	T. 2.41^{743}
Afghanistan	Rupee	11.664	0.916	10.69192	0.343747	0.18^{906}	Rp. 5.4.2
China	Dollar	26.956	0.900	24.26040	0.779976	0.42^{898}	$ 2.33^{111}
China[1]	Tael	37.313	0.980	36.56674	1.175625	0.64^{659}	T. 1.54^{657}
Eritrea	Tallero	25.000	0.900	22.50000	0.723379	0.39^{786}	T. 2.51^{345}
French IndoChina	Piastre	27.000	0.900	24.30000	0.781250	0.42^{969}	Pias. 2.32^{731}
Hongkong	Dollar	26.956	0.900	24.26040	0.779976	0.42^{898}	$ 2.33^{111}
Honduras	Peso	25.000	0.900	22.50000	0.723379	0.39^{786}	$ 2.51^{345}
Morocco	Rial	25.000	0.900	22.50000	0.723379	0.39^{786}	P. 2.51^{345}
Persia	Kran	4.605	0.900	4.14450	0.133246	0.07^{328}	Kr. 13.12.46
Salvador	Peso	25.000	0.900	22.50000	0.723379	0.39^{786}	$ 2.51^{345}

Rupee is divided into 16 Annas of 12 Pies. Persian Kran is divided into 20 Shahis of 50 Dinars. Moroccan Rial is divided into 20 Belions. All other units are divided into hundredths.

Inconvertible Paper

COUNTRIES	UNIT	FORMER BASIS	WEIGHT (GRAMMES)	FINENESS	VALUE IN U. S. MONEY	VALUE OF $1 U. S. MONEY
Chile	Peso	Gold	0.5991	.916^{66}	about $0.20	about $5.00
Colombia	Peso	Gold	1.6129	.900	about $0.01	about $100.00
Guatemala	Peso	Silver	25.0000	.900	about $0.05	about $20.00
Haiti[2]	Gourde	Gold	1.6129	.900	about $0.25	about G.4.00
Paraguay	Peso	Gold	1.6129	.900	about $0.07	about $14.28

All units are divided into hundredths.

[1]The K'up'ing Tael is the one mentioned. It is not yet coined. There are besides, sixteen different classes of Taels. At present, the Government is trying to secure the adoption of a uniform currency for the entire country. [2]Haiti has recently passed a law adopting a new standard at the basis of 0.418 grammes gold .900 fine per Gourde equivalent to $0.25 American gold.

For list of Colonies see page 32.

COMMERCIAL RATES OF EXCHANGE

Maximum and Minimum Rates for Exchange on Foreign Countries in the United States

Gold Standard

COUNTRIES	UNITS	PAR VALUE IN U. S. CURRENCY	MINIMUM	MAXIMUM
Austria	Krone	0.20^{263}	$0.20	0.20^{50}
Belgium	Franc	0.19^{295}	0.19	0.19^{40}
Bolivia	Boliviano	0.38^{932}	0.37	0.39^{50}
British Honduras	Dollar	1.00	0.98	1.02
British West Indies	Dollar	1.00	0.98	1.02
British West Indies	Pound	4.86^{656}	4.84	4.88
British Colonies[1]:				
Australia	Pound	4.86^{656}	4.80	4.91
Africa	Pound	4.86^{656}	4.80	4.91
America	Pound	4.86^{656}	4.84	4.88
Bulgaria	Lev	0.19^{295}	0.18	0.20
Canada	Dollar	1.00	0.99^{50}	1.00^{50}
Costa Rica	Colon	0.46^{536}	0.45^{50}	0.47^{50}
Cuba	Dollar	1.00	0.99	1.01
Denmark	Krone	0.26^{799}	0.26	0.27^{50}
Ecuador	Sucre	0.48^{665}	0.46	0.50
Egypt	Egyptian Pound	4.94^{307}	4.85	5.03
Finland	Markka	0.19^{295}	0.18^{50}	0.19^{80}
France	Franc	0.19^{295}	0.19	0.19^{40}
French Colonies[2]:				
Africa	Franc	0.19^{295}	0.18^{50}	0.20^{50}
America[3]	Franc	0.19^{295}	0.15	0.18
Germany	Mark	0.23^{821}	0.23^{50}	0.24^{10}
German Colonies[4]:				
Africa	Mark	0.23^{821}	0.23	0.24^{80}
Asia	Mark	0.23^{821}	0.23	0.24^{80}
Oceania	Mark	0.23^{821}	0.22^{80}	0.24^{80}
Great Britain	Pound Sterling	4.86^{656}	4.82	4.90^{65}
Greece[5]	Drachma	0.19^{295}	0.18^{50}	0.19^{50}
Hawaii	Dollar	1.00	0.97	1.03
Hungary	Korona	0.20^{263}	0.20	0.20^{50}
Italy	Lira	0.19^{295}	0.19	0.19^{40}
Japan	Yen	0.49^{846}	0.48^{50}	0.50^{25}
Java	Guilder	0.40^{196}	0.39	0.41
Korea	Yen	0.49^{846}	0.48	0.51
Liberia[6]	Dollar	1.00	0.95	1.05

The Egyptian Pound is divided into 100 Piastres of 10 Ochr-el-guerch, or milliemes. The British Pound is divided into 20 Shillings of 12 pence. All other units are divided into hundredths.

[1] Not otherwise specified. [2] Except Indochina. [3] Guadeloupe and Martinique rates are below par. [4] Except East Africa. [5] Greece has mostly a paper circulation which is gradually recovering its par value. [6] Exchange on Liberia is nominal. It is figured on a gold basis, but its present circulation is not gold.

COMMERCIAL RATES OF EXCHANGE

Maximum and Minimum Rates for Exchange on the United States in Foreign Countries

Gold Standard

COUNTRIES	UNITS	PAR VALUE OF $1 U. S. CURRENCY	MINIMUM	MAXIMUM
Austria	Kronen	4.93^{519}	Kr. 4.90	Kr. 5.00
Belgium	Francs	5.18^{262}	Fr. 5.15	Fr. 5.25
Bolivia	Bolivianos	2.56^{855}	B. 2.50	B. 2.64
British Honduras	Dollars	1.00	$ 0.98	$ 1.02
British West Indies	Dollars	1.00	$ 0.98	$ 1.02
British West Indies	Pence	.49^{316}	Pence .49	Pence .49^{76}
British Colonies[1]:				
Australia	Pence	.49^{316}	Pence .48^{50}	Pence .50
Africa	Pence	.49^{316}	Pence .48^{25}	Pence .49^{75}
America	Pence	.49^{316}	Pence .48^{75}	Pence .49^{90}
Bulgaria	Leva	5.18^{262}	Fr. 5.14	Fr. 5.26
Canada	Dollars	1.00	$ 0.99^{60}	$ 1.00^{50}
Costa Rica	Colones	2.14^{887}	c. 2.13	c. 2.18
Cuba	Dollars	1.00	$ 0.99	$ 1.01
Denmark	Kroner	3.73^{148}	Kr. 3.70	Kr. 3.76
Ecuador	Sucres	2.05^{484}	S/ 2.03	S/ 2.11
Egypt	Piastras	20.2^{303}	Pias 19.5	Pias 21.0
Finland	Markkaa	5.18^{262}	Mka. 5.15	Mka. 5.26
France	Francs	5.18^{262}	Frs. 5.15	Frs. 5.25
French Colonies[2]:				
Africa	Francs	5.18^{262}	Frs. 5.14	Frs. 5.26
America[3]	Francs	5.18^{262}	Frs. 5.20	Frs. 6.66
Germany	Mark	4.19^{793}	Mks. 4.14	Mks. 4.26
German Colonies[4]:				
Africa	Mark	4.19^{793}	Mks. 4.15	Mks. 4.31
Asia	Mark	4.19^{793}	Mks. 4.15	Mks. 4.30
Oceania	Mark	4.19^{793}	Mks. 4.15	Mks. 4.32
Great Britain	Pence	.49^{316}	Pence .48^{80}	Pence .49^{80}
Greece[5]	Drachmas	5.18^{262}	Dr. 5.14	Dr. 5.26
Hawaii	Dollars	1.00	$ 0.98	$ 1.02
Hungary	Korona	4.93^{519}	Kr. 4.90	Kr. 5.00
Italy	Lira	5.18^{262}	Lr. 5.15	Lr. 5.25
Japan	Yen	2.00^{619}	Yen 1.97	Yen 2.03
Java	Gulden	2.48^{783}	Gldn. 2.43	Gldn. 2.53
Korea	Yen	2.00^{619}	Yen 1.96	Yen 2.04
Liberia[6]	Dollars	1.00	$ 0.95	$ 1.05

The Egyptian Pound is divided into 100 Piastres of 10 Ochr-el-guerch or milliemes. The British Pound is divided into 20 Shillings of 12 pence. All other units are divided into hundredths.

[1] Not otherwise specified. [2] Except Indochina. [3] Guadeloupe and Martinique rates are below par. [4] Except East Africa. [5] Greece has mostly a paper circulation which is gradually recovering its par value. [6] Exchange on Liberia is nominal. It is figured on a gold basis, but its present circulation is not gold.

Maximum and Minimum Rates for Exchange on Foreign Countries in the United States

Gold Standard

COUNTRIES	UNITS	PAR VALUE IN U. S. CURRENCY	MINIMUM	MAXIMUM
Montenegro	Perper	0.20^{263}	0.20	0.20^{50}
Netherlands	Guilder	0.40^{196}	0.39^{50}	0.40^{50}
Newfoundland	Dollar	1.01^{387}	1.00^{50}	1.02
Norway	Krone	0.26^{799}	0.26	0.27^{50}
Peru	Libra	4.86^{656}	4.80	5.00
Porto Rico	Dollar	1.00	0.98	1.02
Portugal[1]	Escudo	1.08^{056}	0.94	1.04
Roumania	Leu	0.19^{295}	0.18	0.20
Russia	Rouble	0.51^{456}	0.50^{50}	0.52^{50}
Santo Domingo	Dollar	1.00	0.99	1.01
Servia	Dinar	0.19^{295}	0.18	0.20
Spain[2]	Peseta	0.19^{295}	0.17^{50}	0.19^{50}
Sweden	Krona	0.26^{799}	0.26	0.27^{50}
Switzerland	Franc	0.19^{295}	0.19	0.19^{40}
Turkey	Turkish Pound	4.39^{642}	4.30	4.52
Uruguay	Peso	1.03^{424}	1.00	1.05
Venezuela	Bolivar	0.19^{295}	0.18^{50}	0.19^{75}

Peruvian Pound is divided into 10 Soles of 100 centavos each. Turkish Pound is divided into 100 Piastres of 40 Paras. All other units are divided into hundredths.

Gold Exchange Standard

COUNTRIES	UNITS	PAR VALUE IN U. S. CURRENCY	MINIMUM	MAXIMUM
Argentina	Peso	$0.42^{449}	$0.41^{50}	$0.43^{50}
Brazil	Milreis	0.32^{444}	0.31^{50}	0.33^{50}
British East Africa and Zanzibar	Rupee	0.32^{444}	0.30	0.35
Ceylon	Rupee	0.32^{444}	0.31	0.34
German East Africa	Rupee	0.31^{761}	0.30	0.34
India	Rupee	0.32^{444}	0.31^{80}	0.33^{80}
Italian Somaliland	Rupee	0.32^{444}	0.30	0.35
Malay States	Dollar	0.56^{775}	0.55^{50}	0.57^{50}
Mexico[3]	Peso	0.49^{816}	0.48^{50}	0.50^{30}
Nicaragua	Cordoba	1.00	0.98	1.02
Panama	Balboa	1.00	0.99	1.01
Philippines	Peso	0.50	0.49	0.51
Siam	Tical	0.37^{085}	0.36	0.38
Straits Settlements	Dollar	0.56^{776}	0.55^{50}	0.57^{50}

The Brazilian Milreis is divided into 1000 Reis. Indian Rupee is divided into 16 Annas of 12 pies. All other units are divided into hundredths.

[1] Exchange on Portugal is considered on the basis of its present paper circulation, notes of the Bank of Portugal. The notes of the Ultramarin Bank are quoted at between 15 and 20% more discount. [2] Spain has still a paper circulation. Gold is quoted at about 7% to 9% premium. [3]Mexico having suspended temporarily the conversion of other forms of money into gold is practically under an inconvertible paper money basis, rates of exchange fluctuating without any limits.

Maximum and Minimum Rates for Exchange on the United States in Foreign Countries

Gold Standard

COUNTRIES	UNITS	PAR VALUE OF $1 U. S. CURRENCY	MINIMUM	MAXIMUM
Montenegro	Perpera	4.93[619]	Per. 4.90	Per. 5.00
Netherlands	Gulden	2.48[783]	Gldn. 2.46	Gldn. 2.50
Newfoundland	Dollars	0.98[632]	$ 0.97[60]	$ 0.99[60]
Norway	Kroner	3.73[148]	Kr. 3.70	Kr. 3.76
Peru	Libras	0.2.05[484]	£p 0.2.03	£p. 0.2.10
Porto Rico	Dollars	1.00	$ 0.99	$ 1.01
Portugal	Escudo	0.92[552]	E. 0.96	E. 1.04
Roumania	Lei	5.18[262]	Lei 5.16	Lei 5.26
Russia	Roubles	1.94[338]	Rbls. 1.91	Rbls. 1.98
Santo Domingo	Dollars	1.00	$ 0.99	$ 1.01
Servia	Dinars	5.18[262]	Din. 5.16	Din. 5.26
Spain[2]	Pesetas	5.18[262]	Pes. 5.30	Pes. 5.45
Sweden	Kronor	3.73[148]	Kr. 3.70	Kr. 3.76
Switzerland	Francs	5.18[262]	Frs. 5.15	Frs. 5.25
Turkey	Piastres	22.29[83]	Pias. 22.00	Pias. 23.50
Uruguay	Pesos	0.96[689]	$ 0.95	$ 1.00
Venezuela	Bolivares	5.18[262]	Bol. 5.16	Bol. 5.30

Peruvian Pound is divided into 10 Soles of 100 centavos each. Turkisb Pound is divided into 100 Piastres of 40 Paras. All other units are divided into hundredths.

Gold Exchange Standard

COUNTRIES	UNITS	PAR VALUE OF $1 U. S. CURRENCY	MINIMUM	MAXIMUM
Argentina	Pesos (curso legal)	2.35[576]	$c/l 2.31	$c/l 2.40
Brazil	Milreis	3$.082[260]	3$.000	3$.150
British East Africa and Zanzibar	Rupee	3.08[226]	Rp. 2.80	Rp. 3.50
Ceylon	Rupee	3.08[226]	Rp. 3.00	Rp. 3.15
German East Africa	Rupee	3.14[851]	Rp. 3.00	Rp. 3.30
India	Rupee	3.1.4	Rp. 3.0.0	Rp. 3.2.3
Italian Somaliland	Rupee	3.08[226]	Rp. 2.90	Rp. 3.50
Malay States	Dollar	1.76[130]	$ 1.73	$ 1.80
Mexico[3]	Peso	2.00[619]	$ 1.98	$ 2.02
Nicaragua	Cordoba	1.00	C. 0.98	C. 1.02
Panama	Balboa	1.00	B. 0.99	B. 1.01
Philippines	Peso	2.00	P. 1.96	P. 2.04
Siam	Tical	2.69[651]	T. 2.60	T. 2.80
Straits Settlements	Dollar	1.76[130]	$ 1.73	$ 1.80

The Brazilian Milreis is divided into 1000 Reis. Indian Rupee is divided into 16 Annas of 12 Pies. All other units are divided into hundredths.

[1] Exchange on Portugal is considered on the basis of its present paper circulation, notes of the Bank of Portugal. The notes of the Ultramarin Bank are quoted at between 15 and 20% more discount. [2] Spain has still a paper circulation. Gold is quoted at about 7% to 9% premium. [3] Mexico, haviug suspended temporarily the conversion of other forms of money into gold, is practically under an inconvertible paper money basis, rates of exchange fluctuating without any limits.

SILVER STANDARD.—Maximum and minimum rates for exchange with SILVER STANDARD countries cannot be fixed. They are not limited to transportation, delay and other expenses for moving specie, but are subject, besides, to the constantly fluctuating GOLD price of SILVER.

To obtain maximum and minimum possible rates the price of SILVER has to be considered first, and to this moving expenses and others must be added or subtracted.

Very close figures can be obtained by calculating the intrinsic gold value of the silver unit according to the price of silver on the market and adding or subtracting expenses.

One Piastre of Indochina contains .78125 of a fine ounce and it is worth, at the price of 55 cents per ounce fine, $0.42969. To find the commercial value of such Piastre in the United States, the cost of transportation, other expenses and compensation for delay must be deducted. Considering such expenses to amount, in all, to 3%, the sum of $0.01349 must be deducted, lowering such a value to $0.41625, or roughly 41⅝ cents. This is the highest rate a Piastre of Indochina is worth here, when the price of silver is 55 cents. When the price of silver is higher the value will also be higher, when lower the value will be lower.

To find the maximum and minimum rates of United States money in Indochina, the proceedings have to be reversed. One dollar of United States money is worth in Indochina, when silver is quoted at 55 cents per ounce fine, as follows:

1 Piastre at 55 cents per oz. fine is worth..... $0.42969
1 Dollar is worth (1:42969).....P.2.32.731

This is the intrinsic gold equivalent. The maximum rate will be found by dividing 1 by 41⅝ = P 2.40240. The minimum rate will be found by adding the cost of transporting silver to Indo China ($0.42969 plus $0.01349 = $0.44318) and dividing 1 by the result ($\frac{1}{0.44318}$ = P.2.25.642). The American dollar, on this basis, would fluctuate between P.2.40, which is the highest rate which can be asked for when the price of silver is 55 cents and P.2.26, which is the American dollar's lowest quotation possible, as long as the price of silver is 55 cents per oz. fine.

The same process is to be followed in all other cases.

Abrasion of coins is also an item which has to be taken into consideration. Usually the Silver Standard countries do not redeem their coins nor exchange them for new ones, and the holder has to suffer loss by abrasion. China is the only country which mints silver at home, either into coins or into bars (sycee) which circulate as money. All the others coin their silver abroad and put it into circulation through the regular channels—the banks. When exporting silver coins these are not selected, but shipped as obtained. The loss may not be very important, but nevertheless it affects the high domestic rate limit for exchange and consequently the quotation limit from abroad.

INCONVERTIBLE PAPER MONEY.—Rates of exchange in countries using inconvertible paper money have no limit of fluctuation, as they have no term of comparison with gold. Chile is the only country which can have a highest limit quotation in gold for its paper Peso since its conversion law fixes its value at 18 British pence (.54918 grammes fine gold). But such a law is not in operation and paper is quoted at a price that has no relation with said 18 pence. In Colombia the law fixed the price of the paper Peso at one cent American gold, but as the paper is not being redeemed at that price the fluctuation follows no rule, nor is subject to any fixed future payment of the circulating medium in gold. Guatemala and Paraguay have not yet provided for the redemption of their notes, and these are quoted at varying rates without reference at all to any gold value. Haiti has recently provided the conversion of its money into one on a gold basis. If this is done it should be classified among gold standard countries.

EXCHANGE QUOTATIONS

The proper form to quote rates of exchange in the United States should be expressing in American money the value given, or demanded, for the foreign unit, as is done when referring to English money—so many dollars and cents per one pound sterling.

Although this is done for exchange on some countries, commercial habits have established also other forms which are used by almost all bankers.

Exchange for German money is quoted at so many cents for every four marks. For instance, .96, .95½, etc, which means 96 or 95½ cents American for Mks 4. The equivalent per 1 mark is easily found; dividing the quotation by 4, and would mean, in the above mentioned case, 24, or .23875 cents respectively. Some bankers, however, will quote straight in cents per mark and would say 24 or 23⅞ cents.

Exchange on France, Belgium, and Switzerland is usually quoted at so many francs per dollar (fcs 5.24, fcs 5.23¾, etc.). Some bankers also quote, as should be, at so many cents American money per franc (.19, .192, .195, etc.). The same applies to the other countries of the Latin Union system (Spain, Italy, Greece, Roumania,

Bulgaria, Servia, Finland). It is quite easy to understand the quotation, when in the first form, and when in the second. Exchange bulletins issued by bankers mention figures only, sometimes even without the monetary signs. But no mistake can be committed when reading, for instance, 5.24¼, or 524¼, on any of the Latin Union countries. It could be nothing else than 5.24¼ francs per $1, or 524.25 francs per $100. If .19, 19¼, etc., is mentioned, it is easily understood that it means 19, 19¼ cents American money per franc (or peseta, lira, markka, etc.).

Exchange on Austria, Hungary, Denmark, Sweden, Norway, Holland, Russia, Portugal, Egypt, Mexico, India, Japan, Philippines, etc,, is expressed in dollars and cents per foreign unit. For instance, 202, 2025 on Austria and Hungary, meaning 20 1/5 or 20 1/4 cents American per krone; .2675, .2685, on any of the Scandinavian States, meaning 26 3/4, 26 85/100 cents American per krone or krona, etc.

Of course rates can be figured in both ways—so many dollars and cents per foreign unit, or so many foreign units and fraction per dollar. When wishing to find the corresponding quotation expressed in other terms than the one given, simply divide 1 by the rate mentioned For instance, the rate of 5.25 francs per $1 corresponds to ($\frac{1}{5.25}$) $0.190476 and a fraction per 1 franc. The rate of $0.96 per 4 marks, which is ($\frac{96}{4}$) $0.24 per one mark corresponds to ($\frac{1}{24}$) Mks 4 16 2/3 per $1.

Rates for exchange on Canada, Porto Rico, Hawaii, Panama and all other countries using the same dollar as the United States, are expressed in terms of so many dollars and cents per dollar, or in a percentage of premium or discount. For instance, $0.99875 on Canada would mean that $0.99 7/8 American is given or demanded for one dollar of Canada. This is also expressed as 1/8 of 1% discount. Were the rate $1.00125 it would be 1/8 of 1% premium,

The Newfoundland dollar being slightly better than the American ($1.01387), rates would be quoted expressing in American money the value given or demanded for one Newfoundland dollar ($1.014, $1.015, etc.).

Cuba uses mostly the American dollar, but Spanish gold and silver is also used quite extensively. When drawing in these moneys the conversion rates into dollars would be considered. However, exchange would always be quoted at so many cents American for one peso gold or silver. When drawing in American dollars the rate would be quoted at a premium or discount (1/8 of 1%, 1/4, etc.),

Rates on France, Switzerland, Belgium, Germany, Italy, and Holland, and eventually some other country, are often quoted "plus" (+) or "minus" (−) 1/16, 1/32, 1/64, or multiples of these. This means that on the total value as a result of the exchange 1/16, 1/32, or 1/64 or multiples of ONE PER CENT is added (in the first case) or deducted (in the second) For instance, Fcs 52,600 at 5.25+1/32 would be:

Fcs 52,500 at 5.25.....	$10,000.00
Plus 1/32 of 1%.....	3.12½
	$10,003.12½

If the rate were 5.25−1/32, the value would be $10,000 less $3.12½, or $9,996.87½

This fraction could be considered in the exchange rate, reversing the operation, that is, deducting from the rate when + and adding when −. For instance, the rate of 5.25+1/32 would be 5.25 *less* 0.00164, or net 5.24836. The rate (divisor) being decreased, the number of dollars (result) would be increased. If the rate was 5.26−1/32, the net rate would be 5.25164. The rate (divisor) being increased, the number of dollars (result) would be decreased. In this example fcs. 52,500 at 5.24836 would be 10.003.12½, the 3.12½ appearing already added in the result. At 5.25164 the result would be 9.996.87½, the 3.12½ in this case appearing deducted in the result. But this is too cumbersome, the first form being much easier and simpler.

It is well to have in mind that every 1/16, 1/32, and 1/64 of 1% represents the following:

	1/16	1/32	1/64
on 100	0.0625	0.03125	0.015625
1,000	0.625	0.3125	0.15625
10,000	6.25	3.125	1.5625
100,000	62.50	31.25	15.625
1,000,000	625.	312.50	156.25

Colonies and Possessions Not Mentioned in Preceding Tables

COUNTRY	LOCATION	CURRENCY USED
Aden	Asia	British
Algeria	Africa	French
Angola	Africa	Portuguese
Anguilla	America.	British
Antigua	America.	British
Arabia	Asia	Turkish
Asuncion Island	Africa	British
Australia	Oceania.	British
Azores	Africa	Portuguese
Bahamas	America.	British & American
Barbados	America.	British & American
Barbuda	America.	British
Basutoland	Africa	British
Bechuanaland	Africa	British
Bermudas	America.	British & American
Bokhara	Asia	Russian
Borneo (North)	Asia	S. S. dollar
Borneo	Asia	Dutch
Brunei	Asia	S. S. dollar
Burmah	Asia	Rupee
Canal Zone	America.	American
Canary Islands	Africa	Spanish
Cape of Good Hope	Africa	British
Cape Verde Islands	Africa	Portuguese
Comoro Islands	Africa	French
Congo (Belgian)	Africa	Belgian
Congo (French)	Africa	French
Congo (Portuguese)	Africa	Portuguese
Crete	Europe	Greek
Curacao	America.	Dutch
Cyprus	Asia	British
Dahomey	Africa	French
Dominica	America.	British
East Africa (British)	Africa	Rupee
East Africa (Portuguese)	Africa	Portug. & British
Falkland Islands	America.	British
Fernando Pó	Africa	Spanish
Formosa	Asia	Japanese
Gambia	Africa	British
German S. W. Africa	Africa	German
Gibraltar	Europe	British & Spanish
Goa	Asia	Portuguese
Gold Coast	Africa	British
Grenada	America.	British & American
Guadeloupe	America.	French
Guam	Oceania.	American
Guiana (British)	America.	American
Guiana (Dutch)	America.	Dutch
Guiana (French)	America.	French
Guinea (French)	Africa	French
Guinea (German)	Oceania.	German
Guinea (Portuguese)	Africa	Portuguese
Ivory Coast	Africa	French
Jamaica	America.	British
Kamerun	Africa	German
Kiao Chao	Asia	German
Kiva	Asia	Russian
Kuria Muria Islands	Asia	British
Labuan	Asia	S. S. dollar
Lourenço Marquez	Africa	Portug. & British
Madagascar	Africa	French
Madeira	Africa	Portuguese
Macao	Asia	Portuguese
Malta	Europe	British
Marianne Islands	Oceania.	German
Marshall Islands	Oceania.	German
Martinique	America.	French
Mauritius	Africa	Rupee
Mayotte	Africa	French
Monserrat	America.	British
Natal	Africa	British
Nevis	America.	British
New Caledonia	Oceania.	French
New Guinea	Oceania.	British
New Hebrides	Oceania.	French
New Zealand	Oceania.	British
Niger	Africa	French
Nigeria	Africa	British
Nyassaland	Africa	British
Oman	Asia	Turkish
Orange River	Africa	British
Perim	Asia	British
Principe	Africa	Portuguese
Reunion	Africa	French
Rhodesia	Africa	British
Rio de Oro	Africa	Spanish
Rio Muni	Africa	Spanish
St. Christopper	America.	British
St. Helena	Africa	British
St. Kitts	America.	British
St. Lucia	America.	British
St. Thomas	America.	Danish
St. Thomê	Africa	Portuguese
St. Vincent	America.	British
Samoa (Tutuila)	Oceania.	American
Samoa (Savai & Upolu)	Oceania.	German
Sarawak	Asia	S. S. dollar
Senegal	Africa	French
Seychelles	Africa	Rupee
Sierra Leone	Africa	British
Sokotra	Asia	British
Somali (Italian)	Africa	Rupee
Somali (British)	Africa	Rupee
Somali Coast	Africa	French
Sumatra	Asia	Dutch
Swaziland	Africa	British
Timor	Asia	Portuguese
Togo	Africa	German
Tonga	Oceania.	British
Transvaal	Africa	British
Trinidad	America.	British & American
Tunis	Africa	French
Turkestan	Asia	Turkish
Uganda	Africa	Rupee
Upper Senegal	Africa	French
Virgin Islands	America.	British
Zanzibar	Africa	Rupee

Independent States Not Mentioned in Preceding Tables

COUNTRY	LOCATION	CURRENCY USED
Andorra	Europe	Spanish & French
Lichtenstein	Europe	Austrian
Luxemburg	Europe	French & German
Monaco	Europe	French
San Marino	Europe	Italian

British currency refers to the Pound Sterling and divisions. American to the United States Dollar and divisions. S. S. Dollar refers to the Straits Settlement Dollar.

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